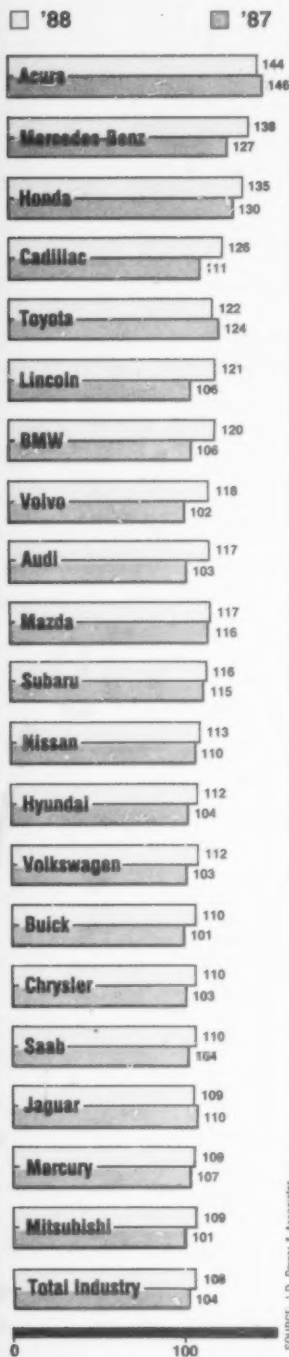


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COMPLETE DETAILS — PAGE 58

TV strike won't hurt '89 intros

Bigger emphasis on sports shows

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Programming changes on the nation's television networks this fall, caused by striking television and film writers, are not expected to dampen new-model launches.

Advertising sources say heavy purchases of sports programming by the nation's domestic automakers will give those advertisers a good audience share. General Motors, for instance, has purchased all of the automotive spots during telecasts of the Summer Olympic Games in September.

GM, Ford Motor Co. and Chrysler Motors have made other sports purchases including the World Series and ABC Monday Night Football. Traditionally, automakers have used major fall television programs to introduce their advertising campaigns for the new model year.

GM will try a single national roll out for the 1989 model year instead of a staggered introductions, as it did last year. Ford is planning to introduce several of its models at different dates during the fall and early winter.

All GM divisions are planning to launch their models Sept. 29. Last year, Chevrolet introduced its vehicles Sept. 24 and the other GM divisions followed on Oct. 1.

Several midyear introductions are planned at GM, as well. Chevrolet will introduce its Geo Prizm (formerly Chevrolet Nova) in the first quarter of 1989. The Corvette ZR1 will be launched in late winter to early spring, depending on production schedules.

The Chevrolet GM10 sedan, called Lumina, will arrive in late spring as a 1990 model. Dealer sources say Chevrolet's short-box, extended-cab C/K pickup will be available in spring.

New models available on Sept. 29 for Chevrolet include a slightly restyled Suburban, Corsica hatchback and the Corsica LTZ.

Buick will introduce a more luxurious version of its Park Avenue, called the Ultra, in the first quarter of 1989. Buick models available Sept. 29 include the reskinned Ri-



Classic car craftsmanship

The Meadow Brook Concours d'Elegance last weekend gathered 250 significant examples of design, craftsmanship and quality for automobile enthusiasts at Oakland University, Rochester, Mich. Featured vehicles were Auburn and Porsche. Joyce Wartinbee is pictured with a 1953 Buick Skylark, a 1933 Auburn Sedan Salon, a 1938 Morgan 4x4, a 1937 Jaguar and a 1964 Cobra.

AUTOMOTIVE NEWS/JOE WILSON

viera and Century.

Pontiac will unveil the restyled 6000 and a new front-end treatment for the Grand Am on that date. Midyear introductions include a turbocharged version of the Grand Prix and a 20th anniversary edition Firebird Trans Am. Exact introduction dates are unavailable.

Cadillac, meanwhile, will offer restyled DeVille and Fleetwood models on Sept. 29, and Oldsmobile will have a restyled Cutlass Ciera.

Ford Motor Co. is planning an Oct. 6 launch for most of its carryover vehicles. The 1989 Aerostar bowed Aug. 1 and the 1989 Ranger and Bronco II will debut Nov. 25. Ford plans to introduce its redesigned Thunderbird and Cougar models Dec. 26, the same lucky date that launched the hot-selling Lincoln Continental in 1987 and Taurus/Sable in 1986.

Lincoln-Mercury will introduce its 1989 Scorpio, XR4Ti and Continental models Dec. 1. A spokesman said the later introduction for the

two West German-built Merkur models is due to transportation considerations.

Chrysler said it has not finalized its fall launch date, although Oct. 10 has been discussed as a possible date. The Mitsubishi-built Eagle Summit will be introduced at Jeep-Eagle dealerships in late September or early October, though models have been arriving at dealerships this month.

Chrysler's TC by Maserati, which has been delayed several times, is slated to debut in November.

Each GM division is expected to receive a portion of GM's advertising time during the Summer Olympic Games. Though Buick is the official car of the 1988 Olympic Games and Oldsmobile is the official car of the U.S. Olympic Track and Field Team, Chevrolet will receive the most advertising time.

One informed network source said upfront purchases of prime television time by domestic automakers have risen for the fall season.

MVMA shift: sport-utility is a truck

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Domestic vehicle manufacturers have reversed themselves and now want imported sport-utility vehicles classified as trucks only, apparently because they believe Japan's quotas on car exports will end next year.

The Motor Vehicle Manufacturers Association is about to file comments with the U.S. Customs Service saying the regulations should be changed so sport-utility vehicles cannot be imported as cars and as a result must be subject to a 25 percent tariff.

Under pressure from the Big 3 and Rep. John Dingell, D-Mich., chairman of the House Energy and Commerce Committee, Customs is reconsidering vehicle classification regulations to designate the vehicles as either cars or trucks. Currently, they can be imported under either category.

Until now, MVMA and Dingell have said sport-utility vehicles should be classified as cars, subject to the Japanese car-export quota.

A Washington lobbyist for a domestic automaker said U.S. companies now believe the Japanese will fail to meet their sales quotas under this year's restrictions.

"Classifying sport-utility vehicles as cars would be meaningless in that context," he said. "We believe Japan's export curbs could go away next March 31. If that happens, we want the sport-utilities subject to the 25 percent truck tariff."

Trade lawyers for the import industry want current Customs Service regulations to remain in effect and are somewhat surprised by MVMA's new position.

An association letter to lawmakers also confirms the change. It says, "Based on all conventional definitions used by industry and government, these vehicles are trucks and should be consistently classified as such by the U.S. Customs Service. The loopholes in existing regulations, which allow importers to switch classification of the vehicle at will from a truck to passenger car simply by inserting a rear seat, should be stopped."

Customs' comment period on the changes closes this week.

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AUTOMOTIVE NEWS/JOE WILSON

Roberts formerly served as GM's vice president in charge of personnel administration and development

Navistar lures GM VP

Roberts will direct truck operations

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The General Motors' executive who oversaw the elimination of 40,000 salaried jobs and the establishment of performance-based pay for white-collar workers takes control of truck operations at Navistar International Transportation Corp. today.

Roy S. Roberts, formerly GM vice president in charge of personnel administration and development, was named last week to the newly created position of vice president and general manager of truck operations at Chicago-based Navistar. He assumes responsibility for the engineering, manufacturing and marketing of International medium- and heavy-duty trucks.

Navistar Chairman Neil A.

Springer said Roberts brings to the newly created job extensive experience in the industry, particularly in manufacturing management, quality assurance and human resources.

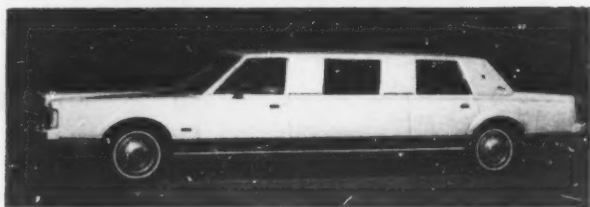
Roberts' appointment comes at a time when Navistar is negotiating with the UAW for a concessionary contract at its Indianapolis engine plant.

Workers recently rejected the contract, which they say cuts pay and benefits by three dollars an hour. However, negotiators quickly returned to the bargaining table when Navistar said it would not invest \$150 million in the plant and would move diesel engine assembly elsewhere, jeopardizing 2,000 jobs.

Navistar had planned to make capital improvements in the plant

see ROBERTS, page 60

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EB 34

Audi settlement returns to court

By Helen Kahn
SENIOR CORRESPONDENT

Cook County (Chicago) Circuit Judge Thomas Rakowski will hear objections from consumer and safety groups when he rules on Audi's proposed settlement of a class action suit over loss of resale value stemming from unintended acceleration allegations.

A hearing is scheduled for Thursday.

Audi has offered rebates ranging from \$300 to \$2,000 to 345,000 persons who bought Audi 5000 models between 1978 and 1986. The rebates must be used toward the purchase of another Audi.

Rakowski is new to the case. Cook County Circuit Judge Harold A. Siegan, who initially accepted the settlement, withdrew July 19. Rakowski presided over a July 26 hearing on the matter.

When Siegan started the approval process last June, he cited

personal ties to a partner in one of the plaintiffs' law firms and said he would have to remove himself from the case if he had to make any "judicial determination."

Siegan evidently did not expect the settlement to be challenged and when objections were raised by the Audi Victims Network, the Center for Auto Safety and the New York Public Interest Research Group, he stepped down and offered to vacate his initial approval.

However, the three law firms representing the class — Holstein, Mack & Dupree; Lawrence Walner & Associates; and Lisco & Field — as well as Audi's law firm, persuaded Rakowski to let the initial determination stand until the Aug. 11 hearing, since part of that ruling was the certification of the class.

At Thursday's hearing, lawyers for the consumer and safety groups will urge that the settlement be rejected and will charge the four law

firms with collusion in reaching it.

Jerrold S. Solovy of Audi's firm, Jenner & Block, said the company has spent more than \$200,000 to notify the owners, while to date, 800 have objected to the settlement and 1,500 have opted out of the agreement. Noting that only 1,500 have declined the settlement, an Audi spokesman said, "Clearly, when 99.5 percent of the Audi owners approve, we have to conclude the settlement is fair."

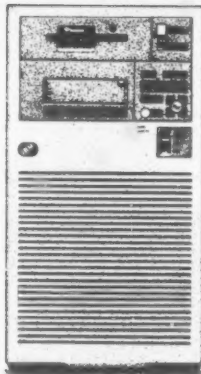
Another point that might be clarified Thursday is language about the rights of those who have claims under warranty or under state lemon laws.

During the July 26 hearing, attorneys for the Audi Victims Network contended that any claims before May 5, 1988, are eliminated. Solovy said that was never the company's intention and if that is indeed in the proposal, then the language may have to be changed.

Washington attorneys Mark Steinbach and Stephen Nassau, representing the Audi Victims Network, contend their clients never should have been put in the position of objecting or opting out of the settlement since the terms of the agreement apply only to those who purchase another Audi. The proposed settlement, they say, is "collusive, unfair, inadequate and unreasonable" and should be rejected.

Class members accepting the settlement would give up litigation rights except for personal injury claims. The Audi spokesman said that if approved, the settlement will put an end to this type of litigation and, as a result, protect the resale value of the car.

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Madrid, Spain	2.30
Munich, Germany	2.16
Athens, Greece	1.98
Nassau, Bahamas	1.48
Istanbul, Turkey	1.44
Mexico City	0.82
Cairo, Egypt	0.58
Caracas, Venezuela	0.16
New York**	1.11
Atlanta	1.16

All prices are for full-service regular expressed in U.S. dollars per gallon, and are based on June 1988 foreign exchange rates.

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That is the lowest price to be found anywhere for regular full-service gasoline, according to Runzheimer International, a management consulting firm that collects gasoline prices worldwide.

The most expensive gas is found in Abidjan, Cote d'Ivoire (Ivory Coast), at \$4.24 a gallon. A gasoline-buying spree in Tokyo, the most overall expensive city in the world, will also be costly — \$4.13 a gallon.

Those attending the Summer Olympics in Seoul, South Korea, will be paying \$2.67 a gallon. And, in the Soviet Union, Moscow averages \$2.95 a gallon, but only self-serve super-leaded can be found.

Ford houses gorillas

ATLANTA — Ford Motor Co. has donated more than \$1 million to the Ford African Rain Forest at Zoo Atlanta. The exhibit will house several gorilla families in a natural setting.



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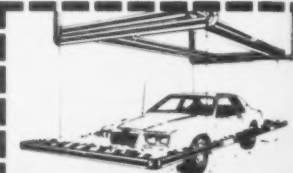
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AUCTION DATES

Chrysler Motors

Aug. 9 — Dallas Auto Auction, Grand Prairie, Texas; Greensboro Auto Auction, Greensboro, N.C.; Riverside Auto Auction, Riverside, Calif.; Portland Auto Auction, Portland, Ore.; and Arena Auto Auction, Chicago.

Aug. 10 — Columbus Fair Auto Auction, Obetz, Ohio; A.D.E. of Birmingham, Birmingham, Ala.; Hatfield Auto Auction, Hatfield, Pa.; and Southern Auto Auction, Warehouse Point, Conn.

Aug. 11 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis, Ind.; Omaha Auto Auction, Omaha, Neb.; and Southwest Auto Auction, Phoenix, Ariz.

Aug. 12 — St. Louis Auto Auction, Bridgeton, Mo.

Aug. 16 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Nashville Auto Auction, Nashville, Tenn.; Denver Auto Auction, Aurora, Colo.; Golden Gate Auto Auction, Fremont, Calif.; and South Seattle Auto Auction, Kent, Wash.

Aug. 17 — Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Aug. 18 — Manheim Auto Auction, Manheim, Pa.; Aptco Auto Auction, Taylor, Mich.; Metro Auto

Used Car Sales

Auction Averages

July 88	\$5,994
*Month ago	\$6,147
Year ago	\$6,045

*Revised.

Auction of Kansas City, Lee's Summit, Mo.; Clanton's Auto Auction, Darlington, S.C.; Ark-La-Tex Auto Auction, Shreveport, La.; Salt Lake Auto Auction, Salt Lake City; and Northway Exchange, Clifton Park, N.Y.

Aug. 23 — Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Greensboro Auto Auction, Greensboro, N.C.; Riverside Auto Auction, Riverside, Calif.; and Arena Auto Auction, Chicago.

Aug. 24 — Columbus Fair Auto Auction, Obetz, Ohio; A.D.E. of Birmingham, Birmingham, Ala.; and Southern Auto Auction, Warehouse Point, Conn.

Aug. 25 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis, Ind.; Southwest Auto Auction, Phoenix, Ariz.; and Omaha Auto Auction, Omaha, Neb.

Aug. 26 — St. Louis Auto Auc-

tion, Bridgeton, Mo.

Aug. 30 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Nashville Auto Auction, Nashville, Tenn.; Denver Auto Auction, Aurora, Colo.; Golden Gate Auto Auction, Fremont, Calif.; and South Seattle Auto Auction, Kent, Wash.

Aug. 31 — Butler Auto Auction, Gibsonia, Pa.; and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

Aug. 9 — South Seattle Auto Auction, Kent, Wash.

Aug. 10 — Atlanta Auto Auction, Red Oak, Ga., and Wednesday Auto Auction, Obetz, Ohio.

Aug. 11 — Dallas Auto Auction, Grand Prairie, Texas; and Minneapolis Auto Auction, Plymouth, Minn.

Aug. 16 — Harrisonburg Auto Auction, Harrisonburg, Va.

Aug. 17 — Concord Auto Auction, Acton, Mass.; Aptco Auto Auction, Taylor, Mich.; and Lakeland Auto Auction, Lakeland, Fla.

Aug. 18 — Baltimore-Washington Auto Exchange, Baltimore; Denver Auto Auction, Aurora, Colo.; Texas Hobby Auto Auction, Houston; Southwest Auto Auction, Chandler, Ariz.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Model Breakdown

Auction Averages

	JULY 1988	JUNE 1988	MAY 1988
1988	\$11,408	\$12,545	\$12,495
1987	\$8,407	\$8,668	\$8,661
1986	\$6,830	\$7,327	\$7,400
1985	\$5,881	\$5,801	\$5,711
1984	\$4,378	\$4,534	\$4,525
1983	\$3,718	\$3,721	\$3,776
1982	\$2,464	\$2,529	\$2,475
1981	\$1,952	\$1,932	\$1,983
Overall Average	\$5,994	\$5,855	\$5,800

Aug. 24 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque Auto Auction, Albuquerque, N.M.; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Southern California Auto Auction, Fontana, Calif.

Aug. 25 — Greater Chicago Auto Auction, Chicago, and St. Louis Auto Auction, Bridgeton, Mo.

Aug. 30 — Bay Cities Auto Auction Inc., Hayward, Calif.

Aug. 31 — Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Lakeland Auto Auction, Lakeland, Fla.

General Motors

Aug. 9 — Harrisonburg Auto Auction, Harrisonburg, Va.; Florida Auto Auction of Orlando,

Ocoee, Fla.; A.D.E. of Birmingham, Moody, Ala.; and Manheim Auto Auction, Manheim, Pa.

Aug. 10 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Minneapolis Northstar Auto Auction, Shakopee, Minn.; and Golden Gate Auto Auction, Fremont, Calif.

Aug. 11 — Butler Auto Auction, Gibsonia, Pa.; Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Nashville Auto Auction, Nashville, Tenn.; Southwest Auto Auction, Phoenix, Ariz.; and Big H Auto Auction, Houston.

Aug. 16 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

Aug. 17 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Omaha Auto Auction, Omaha, Neb.; and Riverside Auto Auction, Riverside, Calif.

Aug. 18 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Aug. 23 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and National Auto Dealer Exchange, Bordentown, N.J.

Florida auction tops \$49 million at 16th anniversary sale

Florida Auto Auction of Orlando's July anniversary sale — No. 16 for the auction — broke last year's sales record for a one-day sale by consigning 7,523 units and selling 4,864, or 65 percent.

Placed bumper to bumper, the consigned vehicles would stretch 17.1 miles, said Joe Greco, manager of the auction. Last year's sale had 6,026 units consigned and 4,095 sold.

This year's gross sales topped \$49 million, about \$8 million more than in 1987.

Greco said 785 dealers from 37 states attended the sale to purchase vehicles and 481 dealers consigned vehicles. Of them, 112 franchised new-car dealers and 141 used-car dealers were registered for the first time during the 12-hour sale.

Chrysler and General Motors participated in closed sales during the day and sold all 684 vehicles

AUCTION BRIEFS



CHARLES THOMAS

offered. Total gross sales volume for the two manufacturers' sales exceeded \$14 million.

More than 2,500 vehicles were reconditioned during the 16 days prior to the sale, and about 3,100 titles were processed. Florida Auto

Auction is one of 21 auctions owned by Atlanta-based Manheim Auctions.

NAAA sights peak throng

Record attendance is expected at the National Auto Auction Association's annual convention, which will be held Oct. 6-9 at the Atlanta Marriott Marquis in Atlanta.

"This is the 50th anniversary of the auto auction industry and we are expecting a record crowd," said Bernard Hart, executive secretary of the association.

Speakers include Douglas Edwards, CBS newscaster, and Atlanta Mayor Andrew Young, who will deliver the keynote address on Oct. 7.

Southern States expands

Southern States Vehicle Auction, Newnan, Ga., is clearing land on the north and south ends of its 64-acre site in preparation for a \$1.3 million reconditioning and paint facility that is scheduled for completion in late September.

Carl Miskotten, vice president of truck services for Anglo American Truck Auctions, said the facility will improve business with customers like General Motors Acceptance Corp., Ford Motor Credit and Chrysler Credit.

"We have an on-premises vehicle reconditioning center and will add a paint and body shop," he said.

Southern States Vehicle Auction, a subsidiary of Anglo American Truck Auctions, sells heavy commercial trucks consigned to it by manufacturers, leasing companies and commercial fleets. Buyers include dealers, wholesalers and end-users.

Sellers pay the auction a fee to enter trucks for sale and another fee when the truck is sold. The buyers pay a fee to the auction for each truck purchased.

Southern States also offers fee-based services such as transporting vehicles to and from auctions and reconditioning. The auction's cli-

ents include Freightliner, Gelco, Mercedes-Benz Credit, U-Haul, PH&H and Hertz-Penske.

Stationary truck auctions are new to the industry. Prior to the stationary auction, sellers of used heavy trucks relied on traveling auction companies, manufacturer and leasing-company used-truck centers, and direct contact with end-users, wholesalers and dealers.

Operations like Southern States schedule sales on a weekly basis in the same facility.

Miskotten, founder of Southern States, developed the idea of opening a truck auction about five years ago. "At that time, there were plenty of auto auctions, but no stationary truck auctions where buyers and sellers could get together and trade trucks," he said.

So, with partner Chuck Frauhiger, he opened Fort Wayne Vehicle Auction Inc. in Indiana in April 1984 and Southern States in October 1986. Both auctions were purchased by Anglo American in July 1987.

Southern States has a staff of 15 supported by 20 mechanical and reconditioning specialists. Each month, about 400 heavy trucks and 2,000 cars move through the auction's four selling lanes. The sale attracts an average of 300 dealers.

ServNet adds 2 auctions

Two independent auto auctions — Auto Dealers Exchange of Indianapolis and Auto Dealers Exchange of Birmingham, Ala. — have joined ServNet, the recently formed independent auction network.

The addition of the two auctions brings ServNet's membership to 10. There are more than 120 independent auctions in the country, but not all of them are eligible for membership in ServNet and that has caused ill feelings within the National Auto Auction Association.

Bernard Hart, executive secretary of NAAA, has described ServNet as a tinderbox because it is an "invitational thing that has caused

unrest and is like forming a separate association just for the independents."

Yet the independent auction owners, threatened by the economies of scale offered by the chains, defend it. About 60 auctions are owned by the chains, which include Anglo American Auto Auctions, GE Capital Auto Auctions and Manheim Auctions.

"ServNet was formed as a cooperative marketing network of independent auctions, the idea being that a group of independents banding together might advertise on a level competitive with the large corporate chains," said Larry F. Brasher, ServNet president.

He said some independent auctions are excluded from joining ServNet "because of legal restrictions as well as the practicalities of operating such a network."

Brasher said ServNet was formed with a maximum membership potential of 20 to 30 auctions.

"While we feel that ServNet auctions must share certain quality standards and full-service capabilities in order to preserve the integrity of our promotional efforts, we do not in any way mean to imply that an independent auction not in ServNet is unable to meet our criteria," he said. "There are many high-caliber independent auctions that have chosen not to join."

He added that some independent operations might be excluded because an existing ServNet auction already serves the same area.

Alexis Jacob, ServNet vice president, said the organization's aim is to promote the concept of independent ownership and operation.

"We want to increase visibility of the independent auctions and stress the advantages of personal service," she said.

For a franchise fee, members can display the ServNet trademark. Auction prospects are judged on their commitment to quality service, orientation to fleet business, geographical location, full-service capabilities and National Auto Auction Association membership.

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Auto News Classifieds Get Results

Acura retains first-place ranking in Power's CSI; industry score up

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

For the second time in its two years in the U.S. market, Honda of America's Acura Division has received J.D. Power and Associates' highest consumer satisfaction index rating of any high-volume car make.

Mercedes-Benz was second in this year's survey, up from a third-place finish in 1987.

J.D. Power and Associates, an Agoura Hills, Calif., research firm, said Acura captured first place again because of strong technical improvements in its cars. However, Acura's higher volume in 1988 caused more strain on dealer resources, and its scores for customer handling by the dealers declined slightly.

The product quality, or vehicle repair and reliability, score and the dealer servicing, or customer handling, score were averaged to give the overall CSI score. In the 1988 survey, 25,230 owners of 1987 cars returned mail survey forms in April and May 1988.

The most significant finding in this year's survey was the rise in the average CSI score for all nameplates, from 104 points in 1987 to 108 points. Power said the rise indicates that consumers are generally more satisfied with the vehicles they purchased in the 1987 model year and that traditionally low performers are improving.

"As this trend continues, worldwide parity in product quality among all automakers is expected to emerge," the study said.

As a group, European manufacturers showed the biggest gains in their average scores. They compiled an average score of 110, up from 102 in 1987. The average score for the Europeans was 106 in 1986.

Volvo made the biggest gain in its ranking between 1987 and 1988 as it moved from 19th to eighth place among all manufacturers. Power attributed Volvo's position change to an increase in product quality.

Audi also made a significant move, from 16th to a ninth-place tie.

Domestic makers also showed large gains in the average CSI group score. The domestics' average score is 102 in 1988, up from 98 in 1987 and 94 in 1986.

Chrysler Motors, including its Dodge and Chrysler-Plymouth divisions, received the highest CSI index score of any of the Big 3 domestic makers. Its overall index score was 106; it received 106 for customer handling and 105 for vehicle repair and reliability.

Jeep-Eagle was not included in the Chrysler Motors numbers since Chrysler Corp. bought American Motors late in the 1987 model year.

General Motors, including all five of its car divisions, was second among the Big 3 with an overall CSI score of 103. It received a score of 110 for customer handling and a score of 101 for vehicle repair and reliability.

Ford Motor Co. was third with an overall score of 96. It scored 96 for customer handling and 99 for vehicle repair and reliability.

Lincoln moved from 12th place last year to sixth in the 1988 survey due to technical improvements in its vehicles. Both the Town Car and the Continental received substantially higher index scores in 1988.

Buick also made big strides, moving from 20th position to 15th. Power said Buick's improved ranking was largely due to "extremely favorable dealer service evaluations." However, product quality showed only moderate gains.

"If Buick could bring product reliability in line with its commendable service evaluations, it certainly would have an opportunity to move farther up the index," said the Power study.

Cadillac moved from seventh place to fourth. Cadillac's customer handling score of 137 was the third highest in the industry and was largely due to high ratings for dealer service.

The Japanese carmakers, which had the highest CSI scores as a group, also showed gains. They compiled an average score of 122 in the 1988 survey, up from 119 in both 1987 and 1986.

Honda, Acura's sister car division, slipped from second place in the 1987 survey to third place this year survey because of substantial improvements by Mercedes-Benz.

Said Power: "Again, Honda didn't get worse. Mercedes-Benz got better." Honda saw improvements in its vehicle repair and reliability score (132 vs. 127) but a decrease in its customer-handling score (125 vs. 132).

Toyota slipped from fourth place to fifth. Power attributed that to a decline in its technical reliability score (121 vs. 139) and only moderate improvement in customer handling (115 vs. 108).

Mazda and Subaru also declined, mainly because of customer handling (service) problems at the dealerships, Power said.

Visual checks cut catalyst altering

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — The EPA's newly released vehicle tampering survey reveals that states and localities that include visual checks with their inspection programs reduce the incidences of catalytic-converter tampering and fuel switching.

Some state and local agencies use inspection/maintenance programs that include a check of tail-pipe emissions at idle. Other agencies use anti-tampering programs that require a visual inspection of both the fuel and catalytic converter. Some agencies use a combination of both programs.

The EPA survey found that tampering occurred in approximately 32 percent of the vehicles surveyed in areas with no programs. That compared with 20 percent in geo-

graphic areas that had inspection/maintenance programs; 18 percent in areas where there was an anti-tampering program; and 16 percent in locales that had both programs.

EPA Chief Lee M. Thomas labeled the results important, especially in areas failing to meet ozone and carbon monoxide air-quality levels. He also said the results were encouraging, proving that anti-tampering programs work.

At present, there are 42 anti-tampering programs operating in 22 states, covering about 25 percent of the nation's light-duty-vehicle fleet. Those programs range widely from random pullovers on highways (covering only 1 percent of the fleet) to annual inspections covering entire fleets in a geographic area.

Since the 1987 survey was meant to test effectiveness of local programs, it was not a true sample of the nation's fleet, EPA pointed out.

For example, 91 percent of the sample came from 14 of the 15 areas having inspection/maintenance and/or anti-tampering programs; however, only 40 percent of the nation's vehicles are subject to those programs. EPA said that even that heavily weighted sample still showed a 19 percent tampering rate.

EPA also found that 14 percent of the vehicles in the survey that are required to use unleaded fuel were using leaded fuel.

The EPA said that while leaded gasoline may cost less at the pump,

its use in vehicles with catalytic converters causes higher emissions and more frequent repairs and tuneups. It also accelerates engine deterioration.

In addition to known health problems created and aggravated by higher emissions, misfueling or tampering with the emission system dramatically increases the amount of dirty air.

Normally, vehicle emissions account for nearly 60 percent of the total carbon monoxide and 40 percent of airborne lead. But tampering with the converter or using leaded fuel can increase hydrocarbon emissions by some 500 percent and carbon monoxide by about 400 percent, the agency said. Tampering with the air pump can raise hydrocarbon emissions up to 200 percent and carbon monoxide up to 800 percent.

EPA enforcement teams inspect car dealerships, auto repair facilities, muffler shops and other businesses to determine if they tamper with emission systems. A maximum fine of \$10,000 per vehicle can be levied against manufacturers and dealerships, while commercial repair shops and fleet operators are subject to a maximum penalty of \$2,500.

After the 1987 survey, the EPA proposed \$475,000 in fines against muffler shops, car dealerships and independent repair shops. Of the 43 businesses and almost 400 violations cited, four were new-car dealers, receiving fines ranging from \$5,000 to \$25,000.

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GM unites advanced engineering

New center will place Project Trilby ideas into future models

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

General Motors is moving toward combining all of its advanced vehicle engineering into one activity, beginning with the establishment of a new systems engineering center.

The consolidated operation will include all the advanced technology of the corporation, combining the car divisions, the two car groups, advanced engineering and research, said GM President Robert Stempel.

The systems engineering center is charged with putting to use ideas developed by Project Trilby in the design of new vehicles and coordinating advanced engineering for all of GM's various operations.

Arvin F. Mueller, GM vice president recently appointed as group director of engineering for the Chevrolet-Pontiac-Canada Group, will oversee the center. Mueller reports to Robert Schultz, GM vice president and group executive for C-P-C.

GM's Project Trilby looks at the traditional definition and design of vehicles. It will continue as a separate project. However, ideas developed by Trilby will now move from research into engineering centers, where cars for the near future are being developed. Those ideas will help reduce vehicle development time, improve quality and reduce costs, GM said.

Some of the ideas have already been used in advanced engineering. The establishment of the center formalizes the way the ideas are put to work.

The new systems engineering organization will consist of the systems engineering center, based within C-P-C advanced engineering operations, and five satellite operations at sites not yet made public. The center will oversee the satellite locations that will be established at Buick-Oldsmobile-Cadillac Group's Flint

"You know, the suppliers are right: They have about eight different groups to contact (within GM)."

—STEMPEL

automotive division and Lansing automotive division, Cadillac, the truck and bus group and C-P-C vehicle engineering.

Staffing will come from those organizations and Trilby. The center will employ 150 people, with the satellites being staffed with another 200 people. The center will also be supported by a team of systems engineers from Hughes Aircraft.

Lauren L. Bowler, currently chief engineering for the Corsica/Beretta platform, has been named center director.

Speaking of the advanced engineering change, Stempel said: "The combined function will include Hughes activities and is an outgrowth of the reorganization."

Stempel called the reorganization "dynamic" and said it is still being tweaked as more people become involved in its fulfillment.

"At first, only 40 or 50 people were really involved, but now as the entire corporation gets into it, we are tweaking it, fine tuning it," he said.

"You know, the suppliers are right: They have about eight different groups to contact (within GM)," Stempel said. "Why shouldn't we organize that centrally, so that when a Bosch comes in to see us they know they've seen General Motors, period."

Automotive News Staff Reporters Michelle Krebs and Edward Lapham contributed to this report.

DOMESTIC DAYS' SUPPLIES

	Aug. 1, 1988	July 1, 1988	Aug. 1, 1987
Alliance	161	73	147
Eagle	—	—	151
Premier	116	107	—
Total Eagle	118	105	148
Horizon	73	107	28
Sundance	53	47	51
Turismo	—	—	111
Reliant	79	59	64
Caravelle	131	79	80
Gran Fury	23	29	39
Total Plymouth	65	64	59
LeBaron K	78	100	63
LeBaron J	50	56	125
LeBaron GTS	105	114	107
Fifth Avenue	95	86	93
New Yorker C	79	73	—
New Yorker E	136	255	160
Total Chrysler	70	72	106
Omni	75	106	29
Shadow	56	48	48
Charger	—	—	101
Daytona	47	52	89
Aries	78	58	65
Lancer	133	149	95
Diplomat	68	61	70
Dynasty	46	42	—
Dodge 600	133	81	79
Total Dodge	64	61	68
CHRYSLER MTRS.	68	67	80
Escort	59	62	71
Mustang	52	48	40
Tempo	53	62	56
Taurus	43	46	68
Thunderbird	97	103	69
Probe	31	32	—
Crown Victoria	47	46	38
Total Ford Div.	54	57	61
Lynx/Tracer	106	110	74
Topaz	49	60	69
Sable	49	50	93
Cougar	71	82	86
Grand Marquis	31	41	45
Total Mercury	57	63	68
Continental	26	18	56
Lincoln	65	64	46
Mark VII	72	75	44
Total Lincoln	60	55	46
Total L-M Division	57	61	63
FORD MOTOR CO.	55	58	62
Skyhawk	98	92	99
Somerset/Skylark	53	64	95
Century	68	77	123
Regal	115	92	57
LeSabre	72	50	77
Reatta	160	98	—
Electra	85	83	94
Riviera	61	58	71
Total Buick	81	74	91
Cimarron	81	128	100
Allante	66	104	185
Seville	66	109	71
DeVille	66	110	104
Brougham	74	122	88
Eldorado	80	141	62
Total Cadillac	70	117	95
Chevette	252	310	81
Nova	116	95	40
Cavalier	46	51	88
Camaro	81	68	69
Celebrity	67	68	91
Corsica/Beretta	33	41	62
Monte Carlo	73	74	120
Caprice	64	58	77
Corvette	70	54	117
Total Chevrolet	54	56	74
Firenza	120	142	125
Calais	60	69	62
Cutlass Ciera	64	76	93
Cutlass Supreme	126	118	56
Olds 88	69	44	67
Olds 98	56	87	80
Toronado	71	64	58
Total Oldsmobile	73	74	75
Fiero	96	77	89
Pontiac 1000	—	—	83
Sunbird	49	40	80
Firebird	70	56	58
Grand Am	45	35	43
Pontiac 6000	61	42	107
Grand Prix	62	76	138
Bonneville H	70	36	—
Paris/Safari	99	87	118
Total Pontiac	58	45	76
GENERAL MTRS.	64	63	78
HONDA	11	16	13
MAZDA	34	16	—
NISSAN	46	48	51
TOYOTA	17	35	68
VOLKSWAGEN	—	140	75
DOM. TOTAL	58	60	71
Subcompact	45	52	—
Compact	47	49	—
Intermediate	63	64	—
Standard	63	60	—
Specialty	87	71	—

Inventories decline for U.S. autos

August stockpile is 7-month low

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

The Aug. 1 stockpile of U.S.-built cars was the leanest in seven months. In spite of slightly lower sales in July, a stronger daily selling rate whittled down domestic inventories.

Last August's domestic inventory was also a seven-month low. This summer, lower stocks can be attributed to plant closings for model changeovers, vacation time and lower calendar-year production numbers.

Inventories of unsold domestic cars totaled 1,406,740 on Aug. 1, representing a 58-day supply. That was 15.42 percent below the previous month's stockpile of 1,663,109 cars, equivalent to a 60-day supply.

Stocks were also 15.15 percent or 251,234 units slimmer than on Aug. 1, 1987 when there were 1,657,974 unsold cars on hand, representing a much heavier 71-day supply.

Four of the seven domestic manufacturers started August with lower days-supply numbers than on July 1.

They shared the Aug. 1 domestic inventory this way: General Motors, 52.38 percent; Ford Motor Co., 28.42 percent; Chrysler Motors, 16.31 percent; Nissan, 1.33 percent; Honda, 0.95 percent; Toyota, 0.31 percent; and Mazda, 0.30 percent.

On July 1, the split was: GM, 51.24 percent; Ford, 29.05 percent; Chrysler, 15.33 percent; Volkswagen, 1.39 percent; Nissan, 1.32 percent; Honda, 1.13 percent; Toyota, 0.44 percent; Mazda, 0.10 percent.

GM's stocks on Aug. 1 dropped 13.53 percent from its July 1 inventory but represented a 64-day supply, up from 63 days on July 1. Chevrolet continued to lack Corsica/Beretta models, and Cadillac reduced its stocks and equivalent days' supply to 70 days versus 117 days a month earlier. However, Buick's Reatta inventory grew and was equivalent to a 160-day supply.

Ford's inventory was 17.24 percent slimmer than on July 1 and was equivalent to a 55-day supply versus 58 days on July 1. In terms of days' supply, Ford's leanest inventories belonged to Lincoln Continental and Ford Probe. Taurus stocks also were down.

Chrysler's stocks were 9.99 percent lower than a month earlier but represented a 68-day supply of cars compared with a 67-day supply a month earlier.

Transplants' inventories were lower. Honda had 28.68 percent fewer U.S.-made cars in stock than it did on July 1, representing 11 days' worth of cars, and Nissan's stocks were reduced by 14.95 percent and were equivalent to a 46-day supply.

Toyota's inventory of U.S.-made cars was 40.01 percent below the previous month's total and was equal to 17-days' worth. Mazda boosted its stocks of MX-6 models by 136.66 percent to a 34-day supply compared with 16 days' worth last month.

NHTSA beefs up odometer rules

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA's regulations implementing new mileage disclosure requirements for used vehicles are expected to cause minor headaches for fleet administrators, leasing companies, auto auctions, car dealerships and state motor vehicle departments.

But the National Automobile Dealers Association said the rules look good for the industry overall.

The dealer group and a coalition of auto industry groups have been monitoring NHTSA's work on the odometer rules for more than a year. Last week, NHTSA issued its final rules.

"Based on discussions I've had with NHTSA officials, the rules appear to address most of industry's concerns," said Douglas Greenhaus, NADA senior attorney for regulatory affairs. "The rules

appear to allow the flexibility buyers and sellers need, while remaining strict enough to accomplish the purposes of the act."

Announcing the new mileage disclosure rules last week, NHTSA Administrator Diane Steed said the regulations are intended to "protect consumers by providing an official paper trail of odometer readings that may be checked by car owners and law enforcement officials to determine whether the odometer has been turned back." She estimates that odometer fraud costs consumers more than \$3 billion annually.

Key parts of the regulations:

- Motor-vehicle titles issued by state governments after April 29, 1989, must be printed by a secure process that will permit the easy detection of counterfeiting and alterations.

- Titles must include mileage readings and a space for the buyer to disclose the mileage when the car is resold.

- Sellers must disclose the odometer reading when transferring the title. If the title does not have a space for disclosure, the information must be included on a separate odometer statement that is secure and supplied by the state. Eventually, separate odometer statements will be issued only when a new car is sold or if a car was not titled before.

- Dealers, distributors, leasing companies and auto auctions must keep detailed records of titles and the odometer reading at the time of the sale for at least five years after a vehicle is sold.

- Persons leasing vehicles must disclose mileage to the leasing company at the end of the lease period. Leasing companies are required to advise customers of that responsibility.

"Because the titling and disclosure provisions will result in changes in many state motor-vehicle titling laws and forms, we are adopting a flexible position on implementing this rule," Steed said. "The rule will not take effect until

April 1989, and we have provided for state-by-state extensions if they are needed."

Greenhaus said the auto industry has supported tougher rules against odometer fraud, but many groups have been concerned about administrative and liability issues associated with the law. He said that from a paperwork point-of-view, the rules are fairly close to current law. Vehicle sellers are currently required to keep odometer records for four years, he said.

Auto auctions and leasing companies may object to the record-keeping requirements, but "the more sophisticated operations probably keep these records anyway," Greenhaus said.

John Fitch, Washington representative for the American Automotive Leasing Association, said his group was concerned that NHTSA would require vehicle titles to be present at the time of the sale. That would have caused real problems for used fleet vehicle sales, he said, adding, "NHTSA obviously listened to our concerns and made substantive changes in the proposed regulations."

Greenhaus also supported NHTSA's decision not to require titles at the sale location, but said NADA still has at least one concern.

Based on preliminary information from NHTSA, Greenhaus said the vehicle seller must still physically write the odometer reading on the title. That could present a problem for car dealers, who often take trade-ins from owners who do not possess the title, Greenhaus said, since those documents are held by a bank or finance company pending final payment on a car loan.

Greenhaus said that situation would mean a seller would have to return to the dealership several days after the sale to make an odometer disclosure.

"I am not sure what we will do about it, although we could ask NHTSA to take a second look at it," he said.

OBITUARIES

George B. Morris Jr.

DETROIT — George B. Morris Jr., 71, a retired General Motors vice president, died Aug. 2. As head of the industrial relations staff, he directed GM's national bargaining group in union negotiations.

Mr. Morris served in GM labor relations posts for 39 years. He joined the then Fisher Body Division in 1941 and moved to the corporate staff in 1948. He was named manager of the labor relations staff in 1966 and became director of that staff in 1968. He was elected industrial relations vice president in 1971 and retired in 1980.

Nathan Simon

EDWARDSVILLE, Pa. — Nathan Simon, former owner of Simon's Motor Sales (Chrysler-Plymouth), Mocanaqua, Pa., died July 17. He opened a Maxwell dealership in 1923 and became a Chrysler dealer in 1924. He retired in 1972.

ROBERTS

FROM PAGE 3

to build a new 7.3-liter diesel engine for Ford Motor Co. Navistar has a contract to build the engines for Ford through the year 2000.

In addition, Navistar established a holding company structure more than a year ago to pave the way for its diversification away from truck manufacturing and into less cyclical markets, such as the service sector. To date, Navistar has not diversified. However, Roberts' appointment to head truck operations will allow top Navistar executives to pursue diversification opportunities.

Navistar also has been rumored to be examining possible joint ventures in heavy trucks or divestiture of the 7.3-liter diesel engine operations. Reports that Navistar was exploring both options with Ford surfaced in April at the American Truck Dealers convention, yet no deals have been announced.

Roberts' departure leaves GM without a black vice president. Roberts was GM's second black vice president; Otis Smith was the first and served as legal counsel until his retirement in the early 1980s.

Roberts' departure also comes just over a month after his close associate, Elmer W. Johnson, resigned as GM executive vice president.

Johnson had spotted Roberts and asked plant employees about him while on a tour of GM's North Tarrytown, N.Y., plant. Shortly after the tour, in April 1987, Roberts was promoted to vice president, skipping several traditional rungs of the corporate ladder.

In December 1985, Roberts was named plant manager of the Chevrolet-Pontiac-Canada Group's assembly plant in North Tarrytown, N.Y., about 20 miles north of New York City. He sent each of the plant's 5,000 employees a Christmas card and attempted to shake hands with every employee.

He is credited with turning around union-management relations at the plant and keeping the plant open by landing the job of manufacturing GM's plastic-bodied all-purpose van, which will be sold through Chevrolet and Pontiac in the 1990 model year.

Roberts and Johnson shared sim-



Roberts, a former GM vice president, joins Navistar today.

ilar philosophies, including compensation based on performance. Both also believe salaried employees should be promoted to jobs for which they are suited, regardless of the traditional corporate ladder.

Johnson, reportedly frustrated with GM's bureaucracy, returned in June to his Chicago law firm, Kirkland & Ellis, where he had earned a reputation as a legal counselor to companies in crisis. Among the companies Johnson advised was International Harvester Co., which became Navistar when the financially ailing company sold off its agricultural operations in 1984.

Born in Magnolia, Ark., Roberts was one of 10 children. His mother died when he was two years old and his father held down two jobs.

After high school, Roberts got an assembly-line job at Lear Siegler Inc.'s guidance systems plant in Grand Rapids, Mich. He was a member of the UAW.

While he worked at the plant, he commuted 120 miles, three days a week to earn his undergraduate business degree at Western Michigan University in Kalamazoo, Mich.

He joined GM in 1977 as a salaried employee-in-training at the former Diesel Equipment Division in Grand Rapids, where he worked

his way up to plant manager. He was transferred to Rochester, N.Y., as Rochester Products' Eastern operations manager and was later named manufacturing manager for aftermarket, diesel, emission and valve train products at Rochester Products.

In addition to his undergraduate degree, Roberts completed the program for management development at Harvard University. He also attended the international advanced general management program in Vevey, Switzerland, in 1985.

In a statement, GM Chairman Roger B. Smith said: "Roy Roberts has been a valued executive and an outstanding contributor in every assignment throughout his GM career. We wish him the best in his new position at Navistar."

No replacement for Roberts has been announced by GM.

Navistar officials said Roberts had been wooed since April with the help of an executive search firm. They declined to reveal his salary but said it is in line with other Navistar executives who, according to proxy statements, earn \$300,000 to \$400,000 a year in salary. In addition, Roberts will receive a bonus of not more than \$400,000 for those benefits he forfeited by leaving GM.

FORECAST

FROM PAGE 1

resulting increases in transaction prices, he said.

However, the way sales are currently running, Luckey doesn't think the production schedules will be adjusted too much during the next couple of months.

GM is getting a little more realistic in its forecasting, he said. In recent years, production forecasts by the auto giant have been blatantly optimistic but have been trimmed back as each quarter progressed.

Ronald Glantz, analyst with Montgomery Securities, San Francisco, said he does not see any significant sales declines on the domestic front, and he estimated that the calendar year car-sales total will be about 10.7 million.

Considering the current production schedules, GM will end the year with about a 70-day supply when 68 is considered to be the norm for year-end, he said.

Ford Motor Co. will be shy of product, Glantz predicted.

Ford's fourth-quarter output forecast of 407,000 U.S.-made cars is 11.74 percent below the 461,143 built in the same period of 1987.

Ford attributes its decrease to the loss of Cougar and Thunderbird production at its Lorain, Ohio, plant, which will not be up to full line speeds in the fourth quarter. Output will be halted this month at Lorain until early October for changeover to all-new models.

Production of Thunderbird and Cougar accounted for almost 73,000 units during last year's fourth quarter.

Chrysler Motors has scheduled fourth-quarter auto output at 268,000, 5.32 percent below the 283,062 built in the same three months last year.

A contributing factor to Chrysler's decrease: The Newark, Del., plant — a previously high-volume plant producing K-cars — will be on a slow acceleration curve starting in October for the new Plymouth Acclaim and Dodge Spirit.

Honda of America Manufacturing Inc. projects fourth-quarter production at 87,540, 9.12 percent more than the 80,227 built during

MARKET SHARES, JULY 1988

	Total Sales	Pct. of Total
SUBCOMPACT....	87,596	10.19
COMPACT.....	165,512	19.24
INTERMEDIATE...	245,150	28.50
STANDARD.....	99,902	11.62
SPECIALITY.....	4,384	0.51
IMPORT.....	257,509	29.94
TOTAL.....	860,055	100.00

the same time last year.

New United Motor Manufacturing Inc. is expected to assemble about 18,200 units during the fourth quarter, down 53.21 percent from the 38,901 built in the comparable period of 1987.

NUMMI's decrease, like Chrysler's and Ford's, is due to model changeover and slow start-up. Its Fremont, Calif., plant is slated to close for a couple of weeks in September.

Nissan Motor Manufacturing Co. U.S.A. expects to build 24,584 cars in the fourth quarter, 60.80 percent more than the 15,289 completed during last year's fourth quarter when it was slowly accelerating production after changeover at the Smyrna, Tenn., plant.

Mazda Motor Manufacturing (U.S.A.) Corp. scheduled 60,630 cars to be produced during the fourth quarter compared with 3,800 in 1987. Mazda didn't begin building cars in the United States until last September.

Because of a strong third-quarter production schedule, GM dealers will have more new models in their showrooms for the Sept. 29 launch of the 1989 model year than on any introduction day in recent years.

Automakers revised their third-quarter forecasts slightly. Scheduled output of 1,501,612 U.S. cars is 12.07 percent above the 1,339,859 built in the third quarter of 1987.

GM added about 10,000 units to what it originally projected; Ford added 6,000, and Chrysler cut 5,000 from its forecast.

Pontiac has told dealers that they will have more 1989 models in their hands by launch than at any time since 1979. Buick also has warned dealers to clear out 1988 inventory because 1989 models will be arriving in large numbers as early as mid-August.

Some GM dealers said last week that they were beginning to take delivery on 1989 models, though GM has yet to announce prices on them. GM has told dealers they will receive prices by Aug. 15. Dealers and analysts speculate that GM prices will be about 3 percent higher than 1988 prices.

Automotive News Staff Reporter Michelle Krebs contributed to this report.

Mich. motorsports park shoots for 1989 opening

ASH TOWNSHIP, Mich. — A 300-acre motorsports park could be open for business by the end of 1989 if local approval is given. Plans call for the \$11 million facility to be home to a 1.8-mile road course and a dragstrip with seating for 40,000 spectators.

The facility, called Michigan Motorplex, is 26 miles south of Detroit. The dragstrip will be available for sanctioned racing events; the road course is being built only for testing purposes.

The track will be owned by Billy Meyer, president of both Meyer Motorsports and the International Hot Rod Association, who also owns the Texas Motorplex in Ennis, Texas.

RAILROAD

FROM PAGE 1

Automakers, whose just-in-time delivery schedules could be shattered by a widespread rail walk-out, are hoping the fires won't be rekindled in the months ahead if the Chicago & North Western wins the manpower cuts it wants and other railroads predictably go for the same prize.

According to an industry source, that may provoke the strikes and threats of strikes that plagued the industry in the late 1950s and 1960s, when railroads began to demand cuts in crew sizes.

Legislation forcing a compromise in the Chicago & North Western dispute could be enacted at the end of the current cooling-off period. Chicago & North Western has, in fact, already agreed to a compromise recommended by a presidential emergency board that would cut crews from four to three workers.

But further legislation in the thorny matter of crew sizes might prove merely a stopgap measure.

A Chicago and North Western spokesman said that current demands for cuts in crew sizes are increasingly warranted because of new technology.

He said the line's demands are "the leading edge" in the industry's thrust to cut manpower.

The signing of the bill last week came a few hours after brakemen walked off the job.

Sources said GM and other manufacturers had contacted the office of House Energy and Commerce Chairman John Dingell, D-Mich., expressing concern about the effects of the threatened walkout.

Most earlier railroad strikes were not prolonged and caused only delays in production, industry spokesmen say.

But in October 1978, just before the resolution of a two-month walkout against Norfolk & Western Railway Co., which spread nationwide, Ford Motor Vice Chairman Philip Caldwell told the U.S. secretary of transportation that "decisions have been made to reduce production at 10 assembly plants," which would have resulted in a layoff of 100,000 workers.

GM said at that time that if the strike continued, it would have to shut down most of its assembly plants within several days.

And that was before just-in-time was instituted. Industry sources say that the effect of railroad strikes today — however brief — is uncertain.

Charles Hopkins, chairman of the National Railway Labor Conference, said there have never been

any "seriously prolonged railroad strikes" since World War II because the government has always intervened.

A veteran Chrysler Motors spokesman said, "I can't remember the auto industry ever being crippled by a railroad strike."

But Hopkins added, "Just-in-time (inventory), it's a little different world. But I think a railroad would manage a strike situation or work with a shipper in advance."

During the brief Chicago & North Western strike last Thursday, managers manned the trains and service was not disrupted, according to the company spokesman. The walkout began and ended Thursday morning. The fired brakemen were reinstated.

A GM spokesman said that though just-in-time is "highly dependent on the trucking industry," delays caused by railroad strikes could be more serious with the new inventory system.

Ironically, the truckers — who would provide backup during a railroad strike — are also engaged in a cooling-off period, having decided last week to go back to the negotiating table rather than strike. The Teamster car haulers rejected their new contract with national trucking firms.

A spokesman for the Association of American Railroads said, "The just-in-time process has reduced some inbound parts traffic to assembly plants, but a substantial amount of parts is still moved by boxcar."

He said that railroads transport a little over half of finished autos to distribution points, where truckers pick them up and haul them to dealers.

A Ford Motor Co. spokeswoman said that Chicago & North Western transports vehicles from three Ford plants: Chicago (Taurus-Sable); St. Louis (Aerostar); and Kansas City (Tempo, Topaz and light trucks).

In the event of a strike, she said, they would be rerouted to another railroad.

Chicago & North Western also transports parts to GM's Janesville, Wis., plant and carries Chevrolet Cavaliers and Chevrolet and GMC light trucks from the plant. It also carries components part of the way to the Van Nuys, Calif., plant.

The Chicago-based railroad also carries vehicles from Chrysler Motors' Kenosha, Wis., plant (Fifth Avenue, Diplomat, Gran Fury, Omni, Horizon) and Belvidere, Ill., plant (New Yorker, Dynasty).

A Chrysler spokeswoman said the company had made contingency plans in the event of a strike.

SALES

DOMESTIC CAR SALES

	July 21, to July 31, 1988	Same Period, 1987	July 1988	Same Month, 1987	Jan. 1 to July 31, 1988	Same Period, 1987
Alliance	40	996	111	2,196	3,807	16,367
Eagle	0	130	0	280	1,392	2,508
Premier	1,524	0	3,805	0	22,293	0
Total Eagle	1,564	1,126	3,916	2,476	27,492	18,875
Horizon	3,406	813	7,137	2,361	34,943	37,036
Sundance	3,419	3,066	9,047	7,107	52,226	48,019
Turismo	0	458	0	1,169	1,115	13,104
Reliant	2,453	1,848	6,429	5,406	72,126	59,368
Caravelle	191	1,240	542	3,221	10,829	22,851
Gran Fury	672	322	1,454	909	9,038	4,578
Total Plymouth	10,141	7,747	24,609	20,173	180,277	184,956
Laser	0	184	0	679	0	4,308
LeBaron K	649	2,182	1,626	5,551	15,964	35,555
LeBaron J	3,216	4,373	8,470	9,290	65,401	37,460
LeBaron GTS	515	1,145	1,344	2,914	10,140	20,631
Fifth Avenue	485	2,450	1,359	5,424	27,575	26,079
New Yorker C	2,204	0	6,806	0	41,330	0
New Yorker E	20	1,318	95	3,595	14,265	34,329
Total Chrysler	7,089	11,652	19,700	27,453	174,857	158,382
Omni	3,261	608	6,999	1,766	33,896	29,900
Shadow	2,955	2,671	8,090	7,229	55,913	45,831
Charger	0	424	0	1,162	1,022	16,964
Daytona	2,588	1,847	6,877	4,262	47,765	20,791
Aries	1,979	1,941	5,918	5,499	64,211	56,170
Lancer	352	932	888	2,382	6,643	15,805
Diplomat	490	511	1,369	1,278	13,596	6,859
Dynasty	1,868	0	5,255	0	43,152	0
Dodge 600	211	1,206	533	3,327	9,937	21,822
Total Dodge	13,704	10,340	35,929	26,905	276,137	214,142
CHRYSLER MOTORS	32,498	30,865	84,154	77,007	658,763	576,355
Escort	13,107	13,743	33,817	33,438	225,888	225,030
Mustang	4,440	5,424	11,941	14,265	111,371	110,538
Tempo	9,963	8,444	23,780	19,172	170,868	145,277
Taurus	10,323	12,115	30,016	30,475	240,989	205,455
Thunderbird	4,316	5,480	10,575	13,481	79,007	74,404
Probe	3,266	0	7,447	0	26,284	0
Crown Victoria	3,281	4,049	8,596	10,601	72,700	74,918
Total Ford Div.	48,696	49,255	126,172	121,432	927,107	835,622
Lynx/Tracer	2,089	2,546	4,859	6,419	35,915	38,587
Topaz	3,217	2,199	8,314	5,859	52,971	42,130
Sable	4,279	4,470	10,097	9,449	76,990	56,673
Cougar	4,253	4,929	10,075	11,544	69,864	64,386
Marquis	0	0	0	0	0	2,510
Grand Marquis	3,759	4,316	9,383	10,724	70,403	67,580
Total Mercury	17,597	18,460	42,729	43,995	306,143	271,866
Continental	644	488	1,986	1,259	23,550	8,527
Lincoln	3,322	3,443	8,923	9,588	73,311	69,919
Mark VII	598	797	1,520	2,110	12,795	15,559
Total Lincoln	4,564	4,728	12,431	12,957	109,656	94,005
Total L-M Division	22,161	23,188	55,160	56,952	415,799	365,871
FORD MOTOR CO.	70,857	72,443	181,332	178,384	1,342,906	1,201,493
Skyhawk	552	1,370	1,344	3,233	16,918	22,139
Somerset/Skyhawk	2,573	2,365	5,858	6,104	37,888	42,562
Century	4,256	4,789	9,550	10,938	68,723	85,353
Regal	3,807	2,806	6,686	6,017	71,813	31,725
LeSabre	3,980	6,525	8,521	14,013	87,752	79,926
Reatta	140	0	323	0	1,957	0
Electra	3,033	2,902	6,670	6,796	48,506	43,041
Riviera	167	419	488	997	5,675	12,066
Total Buick	18,510	21,176	41,440	48,098	339,232	316,812
Cimarron	159	454	569	1,126	4,266	7,885
Allante	125	100	371	227	2,163	1,320
Seville	838	466	2,178	1,391	12,789	13,798
DeVille	5,373	4,566	12,696	10,254	90,048	81,418
Brougham	1,743	1,780	3,723	4,138	24,108	29,494
Eldorado	1,505	801	3,210	1,900	17,558	12,265
Total Cadillac	9,743	8,167	22,747	19,036	150,932	146,180
Chevette	6	158	14	427	205	15,982
Nova	2,641	7,334	6,398	19,259	68,404	94,836
Cavalier	10,287	9,296	27,621	22,738	184,476	189,603
Camaro	3,091	4,205	8,041	10,432	61,096	78,571
Celebrity	7,024	7,883	18,126	18,532	156,630	196,684
Corsica/Beretta	12,936	11,517	37,787	27,452	260,301	104,358
Monte Carlo	819	2,349	2,152	5,910	23,715	37,855
Caprice	5,368	6,020	15,163	15,217	105,061	104,335
Corvette	692	888	1,784	2,023	15,328	15,225
Total Chevrolet	42,864	49,650	117,086	121,990	875,216	837,449
Firenza	185	615	434	1,425	7,060	9,795
Calais	3,908	4,243	9,880	9,754	64,712	63,990
Cutlass Ciera	9,117	8,519	21,741	19,163	141,600	147,738
Cutlass Supreme	3,249	3,293	8,811	10,173	63,131	66,433
Olds 88	3,408	7,058	9,545	15,167	104,364	104,463
Olds 98	2,716	2,707	6,524	5,733	44,575	39,987
Toronado	435	630	1,251	1,287	10,149	11,428
Total Oldsmobile	23,018	27,065	58,186	62,702	435,611	443,834
Fiero	777	1,504	1,906	3,689	17,595	30,085
Pontiac 1000	0	77	0	205	154	4,328
Sunbird	2,583	2,774	5,804	6,541	50,904	52,218
Firebird	1,950	2,918	4,388	6,828	38,020	49,325
Grand Am	6,537	9,153	15,461	20,534	143,221	132,195
Pontiac 6000	2,507	3,730	6,227	8,894	61,616	73,110
Grand Prix	3,863	357	9,096	841	53,627	9,900
Bonneville H	2,254	0	5,524	0	70,335	0
Paris/Safari	183	4,125	452	9,068	4,256	61,345
Total Pontiac	20,654	24,638	48,858	56,600	439,728	412,507
GENERAL MOTORS	114,789	130,696	288,317	308,428	2,240,719	2,156,782
HONDA	13,066	11,417	29,125	26,287	214,001	181,098
Civic	5,409	3,795	11,668	9,312	60,013	59,113
Accord	7,657	7,622	17,457	16,975	153,988	121,985
MAZDA	2,052	0	3,023	0	17,028	0
NISSAN	5,373	6,314	10,161	10,957	60,118	75,747
TOYOTA	3,860	1,750	6,434	3,289	34,005	21,571
*VOLKSWAGEN	0	4,170	0	6,683	24,939	40,510
DOMESTIC TOTAL	242,495	257,655	602,546	611,035	4,592,479	4,253,560
IMPORT TOTAL	257,509	304,463	1,816,681	1,816,681	1,781,699	1,781,699
INDUSTRY TOTAL	500,004	562,118	1,419,227	1,427,716	6,374,178	6,035,259

*U.S.-built Volkswagen models sold after June 30, 1988, are included in import totals.

July new-car deliveries down 6%

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Sweltering heat and reduced manufacturers' incentives took the edge off July's new-car sales.

July deliveries dropped 6.06 percent, although the daily selling rate was stronger than last year's. The selling rate averaged 24,102 units a day this year compared with 23,501 in July 1987 when there was one less selling day.

Combined sales of U.S.-built and imported cars in July were 860,055 compared with last July's 915,498.

Although four of the seven domestic automakers reported gains in July, domestic-car sales dipped

1.39 percent, or 8,489 units, to 602,546 from 611,035 in 1987. However, last July was bolstered by plenty of factory incentives.

Import-car sales last month dropped 15.42 percent to 257,509 from 304,463 a year ago. Big losers included Audi, BMW, Saab, Hyundai and Yugo.

The Big 3 U.S.-based automakers increased their share of the U.S. car market in July. With their captives, they took 67.98 percent of total car sales compared with 65.61 percent in July 1987.

General Motors' share including captives dipped to 35.18 percent this year from 35.67 percent last

July. Ford Motor Co. boosted its share to 21.99 percent from 19.96 percent. Chrysler Motors' share with captives rose to 10.81 percent vs. 9.98 percent in 1987.

Foreign carmakers took 32.09 percent compared to 34.39 percent in July 1987. Japanese carmakers held 24.50 percent of the market last month vs. 23.19 percent in July 1987. The Europeans' share dropped to 5.41 percent from 7.87 percent, and the Korean share declined to 2.11 percent from 3.33.

Transplants Honda and Toyota, along with Ford Motor Co. and Chrysler Motors, reported gains for the month in domestic-car sales.

Ford's domestic sales stepped up 1.65 percent in July. Chrysler sold 9.28 percent more domestic cars than it did a year ago.

GM's domestic-car sales fell 6.52 percent from last year.

Honda's sales of U.S.-built cars rose 10.80 percent over July 1987, and Toyota's U.S.-built-car sales were nearly twice as high. In spite of increased incentives, Nissan's sales of U.S.-built cars were off 7.26 percent. Mazda, which was not producing cars here last year, sold 3,023 MX-6 models built at its Flat Rock, Mich., plant.

Volkswagen stopped reporting sales of domestic cars last month when it closed its U.S. plant.

Toyota and Honda fared the best with their imports. Toyota was up 11.73 percent and Honda Acura deliveries rose 14.45 percent.

The European car companies were the hardest hit in year-to-year sales comparisons. Audi's sales slid 63.88 percent. Saab sales fell 26.04 percent, but Volvo's were down only 1.55 percent for the month compared to last July.

Hyundai sold 40.40 percent fewer Excels in July this year.

Domestic-car sales for July 21-30 dropped 5.88 percent.

IMPORTED CAR SALES

	July 1988	July 1987	7 Mos. 1988	7 Mos. 1987
Acura	11,064	9,667	72,367	59,838
Alfa Romeo	339	630	3,047	4,052
Audi	1,648	4,562	13,381	29,449
BMW	5,913	7,871	40,699	50,858
Chevrolet	10,493	12,326	74,840	72,488
Chrysler	1,001	1,036	6,680	7,323
Daihatsu	1,120	0	6,393	0
Dodge	3,889	6,237	32,821	34,815
Ford	5,854	2,412	41,123	5,357
Eagle	459	1,368	9,027	6,938
Honda	23,978	27,342	145,240	159,399
Hyundai	18,160	30,472	166,653	157,528
Isuzu	2,590	5,154	14,185	21,305
Jaqua	1,539	2,040	11,436	12,064
Maserati	50	70	560	588
Mazda	19,078	20,336	135,224	109,609
Mercedes-Benz	6,880	7,109	50,946	52,520
Mercury	1,978	1,982	8,382	7,055
Mitsubishi	5,840	6,984	40,882	41,131
Nissan	27,246	34,847	215,682	246,131
Peugeot	534	853	4,016	5,293
Plymouth	3,451	5,673	29,663	31,447
Pontiac	3,727	5,849	36,161	9,303
Porsche	1,336	2,052	10,143	14,875
Saab	3,516	4,754	22,857	26,841
Sterling	705	1,510	5,652	7,891
Subaru	11,471	14,436	87,195	91,950
Toyota	59,602	53,345	343,080	296,062
*Volkswagen	11,831	20,961	109,964	117,647
Volvo	8,769	8,907	58,390	70,871
Yugo	3,448	4,038	19,992	31,071
TOTAL	257,509	304,463	1,816,681	1,781,699

*Volkswagen totals include U.S.-built models sold after June 30, 1988.

Sales charts compiled by Karen Detkowski

U.S. CAR SALES BY MARKETING UNITS

	July 1988	Percent Share	July 1987	Percent Share	7 Mos. 1988	Percent Share	7 Mos. 1987	Percent Share
Alfa Romeo	339	0.04	630	0.07	3,047	0.05	4,052	0.07
American Honda	64,167	7.46	63,296	6.91	431,608	6.73	400,335	6.63
BMW	5,913	0.69	7,871	0.86	40,699	0.64	50,858	0.84
Buick	41,440	4.82	48,098	5.25	339,232	5.29	316,812	5.25
Cadillac	22,747	2.64	19,036	2.08	150,932	2.35	146,180	2.42
Chevrolet	127,579	14.83	134,316	14.67	950,056	14.82	909,937	15.04
Chrysler	20,701	2.41	28,489	3.11	181,537	2.83	165,705	2.75
Daihatsu	1,120	0.13	0	0.00	6,393	0.10	2	0.00
Dodge	39,818	4.63	33,142	3.62	308,958	4.82	248,957	4.13
Eagle	4,375	0.51	3,844	0.42	36,119	0.57	25,813	0.43
Ford	132,026	15.35	123,844	13.50	988,230	15.11	840,979	13.93
Hyundai	18,160	2.11	30,472	3.33	166,653	2.60	157,528	2.61
Isuzu	2,590	0.30	5,154	0.56	14,185	0.22	21,305	0.35
Jaguar	1,539	0.18	2,040	0.22	11,436	0.18	12,064	0.20
Lincoln	12,431	1.45	12,957	1.42	109,656	1.71	94,005	1.56
Maserati	50	0.01	70	0.01	560	0.01	588	0.01
Mazda	22,101	2.57	20,036	2.19	152,252	2.38	109,609	1.82
Mercedes	6,880	0.80	7,109	0.78	50,946	0.79	52,520	0.87
Mercury	44,707	5.20	45,917	5.02	314,525	4.91	278,921	4.62
Mitsubishi	5,840	0.68	6,984	0.76	40,882	0.64	41,131	0.68
Nissan	37,407	4.35	45,804	5.00	275,800	4.30	321,878	5.33
Oldsmobile	58,186	6.77	62,702	6.85	435,611	6.80	443,834	7.35
Peugeot	534	0.06	853	0.09	4,016	0.06	5,293	0.09
PLYMOUTH	28,060	3.26	25,846	2.82	209,940	3.28	216,403	3.59
Pontiac	52,585	6.11	62,449	6.82	475,889	7.43	421,810	6.99
Porsche	1,336	0.16	2,052	0.22	10,143	0.16	14,875	0.25
Saab	3,516	0.41	4,754	0.52	22,857	0.36	26,841	0.44
Sterling	705	0.08	1,510	0.16	5,652	0.09	7,891	0.13
Subaru	11,471	1.33	14,436	1.58	87,195	1.36	91,950	1.52
Toyota	66,036	7.68	56,634	6.19	377,085	5.88	317,633	5.26
Volkswagen	8,769	1.02	8,907	0.97	58,390	0.91	70,871	1.17
VW of America	13,479	1.57	32,206	3.52	146,284	2.31	187,610	3.11
Yugo	3,448	0.40	4,038	0.44	19,992	0.31	31,071	0.51
TOTAL	860,055	100.00	915,498	100.00	6,409,160	100.00	6,035,259	100.00
TOTAL GM	302,537	35.18	326,603	35.67	2,351,720	36.88	2,238,573	37.10
TOTAL FORD	189,164	21.99	182,718	19.96	1,392,411	21.73	1,213,905	20.11
TOTAL CHRYSLER	92,954	10.81	91,321	9.98	736,954	11.50	656,878	10.88
TOTAL JAPANESE	210,732	24.50	212,344	23.19	1,385,400	21.62	1,303,841	21.60
TOTAL EUROPEAN	46,508	5.41	72,040	7.87	376,022	5.87	464,534	7.70
TOTAL KOREAN	18,160	2.11	30,472	3.33	166,653	2.60	157,528	2.61

PRODUCTION

July output dives during changeover

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. production of cars and trucks for July dipped considerably from June's output due to downtime at several plants for model changeover and vacation.

July's auto production of 367,431 was 49.66 percent below the preceding month's 729,941 but 3.50 percent more than the year-ago month's 355,015, which was also affected by plant closings for changeover and vacation.

Last week's targeted car output totaled 77,900, 7.39 percent more than the previous week's 72,541 and 11.19 percent more than the year-ago week's 70,060.

Companies split last week's estimated output as follows: Ford Motor Co., 36.97 percent; General Motors, 32.16 percent; Honda of America Manufacturing Inc., 9.86 percent; Chrysler Motors, 7.57 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 5.59 percent; New United Motor Manufacturing Inc., 4.17 percent; and Nissan Motor Manufacturing Co. U.S.A., 3.68 percent.

Truck output for July totaled 239,863 units, 36.06 percent below June's 375,164 and 12.98 percent below last year's 275,655.

The following GM plants remain idle for changeover: Orion Township, Mich.; Detroit-Hamtramck; Doraville, Ga.; Van Nuys, Calif.; Bowling Green, Ky.; and Framingham, Mass.

These GM plants resumed output today after being closed for model changeover: Lordstown, Ohio; Lansing, Mich.; (Reatta Craft Center); and Fairfax, Kan.

GM's Flint, Mich., truck plant remains closed until Aug. 15 for changeover. Ford's Lorain, Ohio, car plant shut down today for model changeover. It will be down until early October.

Chrysler's Sterling Heights, Mich., plant closed today for model changeover. It will reopen the week of Aug. 15.

Canada feels the pinch, too

July's car production in Canada totaled 35,923, down 68.38 percent from June's 113,621, due to the large number of plants closed for model changeover and vacation. Last month's car output dipped slightly (0.67 percent) from the year-ago month's 36,165.

Last week's scheduled car output of 9,148 dipped 4.48 percent from the prior week's 9,577 but was far above the year-ago week's 1,387, which was also affected by changeover and vacation.

Truck production for July of 34,647 fell 60.67 percent from June's 88,082 and 4.79 percent from the year-ago month's 36,389.

Estimated truck output of 11,141 units last week was 29.95 percent more than the previous week's 8,573 but was slightly below (0.34 percent) the year-ago week's 11,179.

General Motors' Scarborough, Ontario, and Ste. Therese, Quebec, plants remain idle for changeover.

Volvo's plant in Halifax, Nova Scotia, shut down last week for vacation. It will reopen Aug. 22.

U.S. CAR	Week Ended Aug. 6, 1988	Week Ended Aug. 6, 1987	Week Ended July 30, 1988	July Total	Jan. 1 to Aug. 6, 1988	Jan. 1 to Aug. 6, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	0	0	0	3,431	53,889	32,997
Sundance	2,300	965	0	8,482	64,895	57,378
Reliant	0	2,917	2,039	8,427	56,250	66,864
Caravelle	0	573	0	94	9,087	30,519
Gran Fury	0	495	0	672	16,047	3,913
Total Plymouth	2,300	4,970	2,039	21,108	199,178	191,891
LeBaron K	0	1,017	0	0	7,912	44,858
LeBaron J	0	0	1,127	5,222	45,703	70,194
LeBaron GTS	200	480	0	853	5,916	24,229
N. Yorker E-Class	0	1,550	0	0	0	48,093
N. Yorker C-Class	500	0	0	2,639	63,733	0
Fifth Avenue	0	1,436	0	552	15,794	32,502
Total Chrysler	700	4,483	1,127	9,266	139,058	219,886
Omni	0	0	0	3,060	52,902	28,363
Daytona	0	0	1,143	5,199	44,964	33,909
Shadow	2,000	1,064	0	7,255	63,656	58,833
Aries	0	2,528	1,645	7,360	54,570	63,472
Dodge 600	0	510	0	0	8,549	27,322
Dynasty	800	0	0	2,267	60,186	0
Lancer	100	277	0	532	5,728	15,301
Diplomat	0	342	0	722	12,388	6,812
Total Dodge	2,900	4,721	2,788	26,415	302,603	234,012
CHRYSLER MOTORS	5,900	14,174	5,954	56,787	640,839	661,583
Escort	8,897	7,075	9,598	21,288	229,652	227,769
Mustang	3,301	2,470	4,910	9,889	121,944	129,069
Tempo	3,606	0	3,931	8,421	114,099	99,830
Taurus	6,373	7,515	7,682	18,457	235,950	255,544
Thunderbird	0	0	2,841	6,691	90,246	98,167
Total Ford Div.	22,177	17,060	28,962	64,746	791,691	810,379
Lynx	0	2	0	0	0	21,352
Topaz	1,516	0	1,625	3,513	42,975	32,858
Cougar	0	0	2,751	6,557	69,686	87,655
Sable	2,041	2,380	2,348	5,743	80,804	81,673
Total Mercury	3,557	2,371	6,724	15,813	193,465	223,538
Continental	1,022	0	795	1,312	25,961	9,610
Mark VII	516	613	395	856	14,123	16,045
Lincoln	1,524	3,065	1,192	2,082	78,950	80,818
Total Lincoln	3,062	3,678	2,382	4,050	119,034	106,473
Total L-M Division	6,619	6,049	9,106	19,863	312,499	330,011
FORD MOTOR CO.	28,796	23,109	38,068	84,609	1,104,390	1,140,390
Skyhawk	4	0	0	248	9,955	16,451
Skyline/Somerset	0	0	0	2,403	28,172	37,072
Century	0	1,694	0	4,892	64,323	103,225
Regal (rwd)	0	0	0	0	0	29,200
Riviera	0	0	0	65	3,642	8,501
Electra	745	943	0	5,396	52,044	53,545
LeSabre (fwd)	1,452	0	2,557	10,269	78,551	80,693
LeSabre (rwd)	145	130	129	677	6,209	5,831
Reatta	0	0	197	746	5,455	0
Total Buick	2,346	2,767	2,883	24,696	246,411	334,518
Cimmarron	0	0	0	0	3,693	7,496
Eldorado	0	0	0	525	23,410	12,720
Seville	0	0	0	347	14,488	10,534
Brougham (rwd)	405	1,221	210	1,339	18,728	40,586
Deville (fwd)	0	0	0	4,697	97,287	90,573
Allante	0	146	0	0	1,135	2,962
Total Cadillac	405	1,367	210	6,908	158,741	164,871
Cavalier	1,896	0	3,708	24,731	213,628	204,851
Camaro	0	2,308	0	7,907	54,287	72,598
Celebrity	1,125	0	409	8,107	107,562	192,484
Corsica/Beretta	8,660	7,827	0	18,618	240,637	168,839
Monte Carlo	0	0	0	0	0	42,027
Caprice	4,340	2,603	2,646	16,436	125,488	118,609
Corvette	360	0	418	1,761	13,106	18,083
Total Chevrolet	16,381	12,738	7,175	77,560	754,708	835,491
Calais	0	0	0	4,526	65,250	69,547
Firenza	0	0	0	0	5,230	2,258
Cutlass Ciera	0	0	0	4,171	13,551	99,968
Cutlass Supreme	0	0	0	8,225	90,480	45,538
Toronado	0	0	0	204	10,209	10,127
88 (fwd)	2,250	1,001	0	6,551	92,274	109,014
88 (rwd)	255	0	132	501	7,425	10,656
Olds 98	656	364	0	2,256	45,781	38,476
Total Oldsmobile	3,161	1,365	132	26,434	330,200	394,178
Sunbird	0	0	1,578	6,944	62,824	60,295
Grand Am	840	0	0	9,837	139,172	149,576
Firebird	0	962	0	3,756	37,613	49,860
Grand Prix	0	0	0	5,668	71,916	0
Pontiac 6000	670	0	236	2,427	43,608	48,689
Bonneville	656	0	0	5,001	64,659	79,946
Safari/Parisienne	105	174	0	320	4,904	6,130
Fiero	488	0	492	1,487	12,580	20,699
Total Pontiac	2,759	1,136	2,306	35,438	437,285	415,185
GENERAL MOTORS	25,052	19,373	12,706	171,036	1,927,345	2,144,243
HONDA	7,680	6,836	7,290	23,227	218,808	202,810
Civic	2,683	2,217	2,424	7,520	61,537	68,980
Accord	4,997	4,619	4,866	15,707	157,271	133,850
MAZDA	4,352	0	2,480	12,826	64,047	0
NISSAN	2,870	2,551	2,858	5,697	61,863	79,997
NUMMI	3,250	4,017	3,185	9,737	94,913	120,776
Corolla	1,200	884	1,143	3,498	34,776	25,258
Nova	2,050	3,133	2,042	6,239	60,137	95,520
VOLKSWAGEN	0	0	0	3,512	35,595	43,129
Golf/GTI	0	0	0	3,512	30,042	34,775
Jetta	0	0	0	0	5,553	8,354
Total Cars, U.S.	77,900	70,060	72,541	367,431	4,147,800	4,392,930
Total Cars, Canada	9,148	1,387	9,577	35,923	661,982	470,628
U.S., Canada Cars	87,048	71,447	82,118	403,354	4,809,782	4,863,558
U.S., Canada Cars and Trucks	184,500	152,557	162,925	877,864	7,825,080	7,647,266

Monthly estimates may contain error of one or two units due to rounding.
*—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended Aug. 6, 1988	Week Ended Aug. 6, 1987	Week Ended July 30, 1988	July Total	Jan. 1 to Aug. 6, 1988	Jan. 1 to Aug. 6, 1987
Eagle	0	—	0	0	0	—
Premier	0	—	0	3,135	38,964	—
CHRYSLER MOTORS	0	107	0	3,135	38,964	3,303
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	2,608	—	3,607	3,618	108,232	—
Topaz	1,304	—	1,272	1,278	39,026	—
Crown Victoria	1,883	—	1,666	3,660	77,500	—
Grand Marquis	1,977	—	1,703	3,664	77,744	—
FORD MOTOR CO.	7,772	877	8,248	12,420	302,502	290,056
Celebrity	60	—	0	1,234	13,031	—
Cutlass Ciera	236	—	0	7,450	155,390	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	707	29,875	—
Regal	0	—	1	7,148	94,639	—
GENERAL MOTORS	296	51	1	16,539	292,735	164,020
Civic	1,080	—	1,129	3,076	21,545	—
Accord	0	—	0	0	1,828	—
HONDA	1,080	352	1,129	3,076	23,373	6,832
VOLVO	0	0	199	753	4,386	6,417
Total Cars, Canada	9,148	1,387	9,577	35,923	661,982	470,628

U.S. TRUCK*	Week Ended Aug. 6, 1988	Week Ended Aug. 6, 1987	Week Ended July 30, 1988	July Total	Jan. 1 to Aug. 6, 1988	Jan. 1 to Aug. 6, 1987
Caravan	1,500	—	1,594	4,476	56,273	—
Dakota	1,000	—	581	2,693	63,234	—
Mini-Ram Van	100	—	150	613	8,839	—
Pickups	1,000	—	597	2,662	41,716	—
Total Dodge	3,600	6,493	2,922	10,444	170,062	149,320
Cherokee	0	—	0	11,187	105,621	—
Comanche	0	—	0	2,755	27,001	—
Grand Wagoneer	0	—	0	355	8,215	—
Pickups	0	—	0	0	0	—
Wagoneer	0	—	0	172	6,232	—
Total Jeep	0	4,300	0	14,469	147,069	132,387
Voyager	1,500	—	1,625	4,662	52,244	—
Total Plymouth	1,500	—	1,625	4,662	52,997	—
CHRYSLER MOTORS	5,100	10,793	4,547	29,575	377,392	281,707
Aerostar	4,030	—	3,216	4,756	117,919	—
Bronco	175	—	1,013	2,502	34,829	—
Bronco II	2,909	—	2,523	4,150	76,421	—
Econoline	4,360	—	2,780	7,574	140,968	—
Heavy trucks	1,466	—	1,694	4,574	39,731	—
Light trucks	8,296	—	10,379	22,652	295,685	—
Ranger	7,214	—	7,735	14,329	211,415	—
Total Ford Div.	28,450	27,320	29,340	60,537	916,988	894,955
FORD MOTOR CO.	28,450	27,320	29,340	60,537	916,988	894,955
Astro	3,059	—	3,373	14,943	106,646	—
Blazer	0	—	415	2,114	16,593	—
Mediums/Heavies	395	—	287	1,256	10,967	—
P-Model	0	—	905	3,825	24,261	—
Pickups	6,869	—	6,839	27,173	208,130	—
S-10	5,375	—	5,461	24,629	180,888	—
S-10 Blazer	3,289	—	3,219	13,291	103,059	—
Sportsvan/Van	1,855	—	2,444	8,925	56,370	—
Suburban	0	—	1,302	6,071	44,569	—
Total Chevrolet	20,842	18,626	24,245	102,227	751,483	705,049
Jimmy	0	—	227	604	4,822	—
Mediums/Heavies	705	—	889	3,171	24,321	—
P-Model	0	—	130	236	3,309	—
Pickups	2,011	—	2,388	8,825	64,672	—
S-15	1,067	—	1,530	5,294	41,109	—
S-15 Jimmy	865	—	992	3,559	26,905	—
Safari	765	—	828	3,727	27,114	—
Suburban	0	—	601	2,067	19,689	—
Vandura/Rally Vans	525	—	589	2,381	21,677	—
Total GMC	5,938	6,736	8,174	29,864	233,618	238,175
GENERAL MOTORS	26,780	25,362	32,419	132,091	935,101	943,224
NAVISTAR	1,850	1,643	1,635	3,465	50,964	43,358
NISSAN	1,390	2,063	1,343	2,645	59,862	50,030
AM GENERAL*	450	450	450	1,890	13,860	8,460
MISCELLANEOUS*	2,300	2,300	2,300	9,660	70,840	71,000
Total Trucks, U.S.	66,320	69,931	72,234	239,863	2,475,007	2,292,734

CANADIAN TRUCK	Week Ended Aug. 6, 1988	Week Ended Aug. 6, 1987	Week Ended July 30, 1988	July Total	Jan. 1 to Aug. 6, 1988	Jan. 1 to Aug. 6, 1987
Caravan	2,845	—	1,344	4,273	83,669	—
Mini-Ram Van	170	—	69	323	8,092	—
Ram Wagon	530	—	342	699	14,276	—
Ram Van	1,465	—	1,465	3,110	38,174	—
Total Dodge	5,010	5,616	3,220	8,405	144,211	244,248
Voyager	2,105	—	1,050	3,759	75,488	—
Total Plymouth	2,105	—	1,050	3,759	75,488	—
Wrangler	927	—	799	1,630	26,617	—
Total Jeep	927	776	799	1,630	26,617	19,616
CHRYSLER MOTORS	8,042	6,592	5,059	13,794	248,316	263,864
FORD MTR. (lt. trks.)	2,888	2,732	3,292	3,283	97,689	89,638
Light trucks	0	—	0	9,406	88,669	—
Vans	0	—	0	2,401	35,105	—
Total Chevrolet	0	—	0	11,807	123,774	—
Light trucks	0	—	0	3,309	45,386	—
Vans	0	—	0	1,340	18,604	—
Total GMC	0	—	0	5,279	63,990	—
GENERAL MOTORS	0	1,675	0	17,086	187,764	131,974
NAVISTAR	211	180	222	484	6,531	5,498
Total Trks., Canada	11,141	11,179	8,573	34,647	540,300	490,974
U.S., Canada Trks.	77,461	81,110	80,807	274,510	3,015,307	2,783,708

*—includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-designed vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, International, etc.
Miscellaneous also includes some of the other companies listed in the "Other" column.

Automotive News

August 15, 1988

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Ethylene a study in pricing

Cost up 120%;
suppliers periled

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

Skyrocketing raw material prices and auto industry procrastination on passing through increased costs have many suppliers caught in a vise that's squeezing the life out of their businesses.

The situation is particularly severe among suppliers of ethylene, a petroleum-based chemical building block, now in short supply, used for seat foam, headliners and other interior trim items.

Facing a 120 percent cost increase, many smaller ethylene suppliers are risking their businesses by supplying an industry whose purchasing practices often delay pass-along price increases up to a year.

"The system doesn't allow for price increases that quickly. The margin is so low on the product, as with all products in the auto business, that no one can afford the increases," said one supplier source.

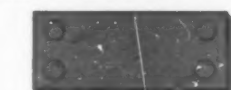
These suppliers say their own supplies of raw materials are jeopardized when they are unable to pay for continuous shipments.

But not only has ethylene's cost more than doubled, there is no shortage of customers. If the auto industry doesn't pass on the increased costs in a timely manner—that is, soon after prices are hiked—the suppliers of ethylene-based raw materials say the industry's ethylene supply will be diverted to non-automotive customers who can pay on time.

"We don't sell directly to the auto companies . . . but I have heard that the auto companies are reluctant to accept pass-through

see ETHYLENE, page 55

MATERIALS PRICES CLIMB . . .



Iron & Steel $\uparrow$ 13%



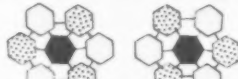
Aluminum $\uparrow$ 24%



Rubber $\uparrow$ 10%



Copper & Brass $\uparrow$ 30%



Plastics $\uparrow$ 19%



CAR PRICES FLAT
 $\uparrow$ 0.4%

Source: July Producer Price Index, Bureau of Labor

AUTOMOTIVE NEWS/LANCE GRAY

Inflation fever on rise

Materials costs plague makers, suppliers

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Inflation, after five years of dormancy, is rearing its ugly head, causing auto manufacturers and suppliers great consternation.

Sharply higher prices for raw materials used in making vehicles and components are part of the reason for higher prices on 1989-model vehicles. But already taking a beating on the front line are the supplier companies that have been unable to pass along raw materials costs to the Big 3.

Big 3 sticker prices for 1989 are expected to increase about 3 percent, although new-car transaction prices recorded by the U.S. Bureau of Labor show car prices have stayed flat through the last 12 months.

Automotive executives will cite higher materials costs, along with increased labor costs and government-mandated safety features, to justify their car price increases to federal government officials, who are intensely concerned with a resurgence of inflation. Federal officials occasionally meet with auto

executives to discuss car prices.

The Federal Reserve Board became so concerned with inflation that last week it unexpectedly raised its discount rate—the rate at which it loans money to financial institutions—to 6.5 percent, from 6.0 percent, in an effort to head inflation off at the pass. The higher discount rate will force up bank lending rates and will slow economic growth that fuels inflation, the board hopes.

Despite the model-year price increases, carmakers say they cannot raise prices enough to fully recover higher materials costs because of intense competition.

Chrysler Motors and General Motors have told auto analysts that they will be able to recover only 50 percent of the increase in costs, some analysts doubt they can recover even that much and predict the actual figure may be closer to 40 percent.

Analysts say the same pressure exists for the Japanese companies with plants in North America. However, they continue to produce cars at lower cost than the Big 3.

see INFLATION, page 55

Chrysler plant in Detroit may build 'Liberty'

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER
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HIGHLAND PARK, Mich. — Chrysler Motors is considering building at its new Jefferson Avenue assembly plant in Detroit a series of large cars for the 1990s designed by the company's closely guarded Liberty Project.

Chrysler has not given final approval to the plan, but Chrysler sources said the company is considering building the vehicles, code-named LH, at the planned \$1 billion plant under construction in Detroit.

Chrysler has characterized the Liberty Project as a think-tank to develop new concepts in design, manufacturing and technology—but no particular car model.

Liberty has, however, been instrumental in generating the LH series—the first car family Chrysler has developed from a platform other than the K since 1980. It will include a sedan, coupe and luxury version. As Liberty passes along the LH project to development engineers, it will take on other future products.

"The cars are closer in size to the C-bodies (Chrysler New Yorker/Dodge Dynasty) than the A-bodies (Dodge Spirit/Plymouth Acclaim)," said a company source about the LH series. "Think of them as a better H-body (Chrysler LeBaron/GTS/Dodge Lancer).

"They are more than a family sedan and less than a Euro sedan," said the source.

However, the source added that it is possible the European influence may be strengthened by

Chrysler Motors' new president of operations, Robert A. Lutz, who served with BMW and Ford in Europe before coming to Chrysler.

The schedule calls for the sedan to debut in the 1993 model year, the coupe in 1994 and the luxury version in 1995. However, a company source said efforts are under way to move the timetable for each up one year.

Chrysler in December said that construction of the new Jefferson Avenue assembly plant was being delayed. Production is now scheduled to begin in 1991, a year later than initially anticipated.

Chrysler throughout the 1980s has relied on K-car platform derivatives for its car lineup. The strategy helped carry the company away from the brink of bankruptcy but it has also given rise to criticism, particularly in the motoring press, because of the platform's old design.

Lutz said in March that hybrid variations of the K-platform will continue well into the 1990s. At that time, he described the new platform under development as "a net additional, much larger, much more substantial platform."

By the time the new series debuts, Chrysler will have available its own 3.3-liter V-6 engine, which goes into production in Trenton, Mich., in 1989 for the 1990 model year. A company source said a 3.8-liter V-6 will be added for the 1991 model year.

Chrysler will also have available by the 1991 model year a turbo-charged version of the V-6 engine that is imported from Mitsubishi, a

see LIBERTY, page 58

AL HOLBERT

Racer-dealer hunts new winning formula
on track and for VW, Porsche, Audi

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WARRINGTON, Pa. — Al Holbert is used to winning.

With 49 victories, he is the winningest driver in the U.S. IMSA series.

He's competed in the grueling 24 Hours of LeMans and won three times.

Cars prepared under his direction as head of the Porsche factory's North American racing effort have dominated their classes.

As dealer, he holds franchises for what have been some of the hottest import makes around — Porsche, Audi and Volkswagen.

But times have changed.

In racing parlance, he is back in the turbulence, while others are breezing to victory.

He is grappling with the sliding retail fortunes of Porsche, Audi and VW while new makes like Hyundai and Acura have taken away both entry-level and prestige

see HOLBERT, page 56



Holbert: back in the turbulence

GM hike of 2.9% tops Chrysler's 2.3

By Michelle Krebs and Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — General Motors said Friday that prices of its 1989 cars will increase an average of 2.9 percent over prices of comparably equipped 1988 models.

Automotive News estimates the 2.9 percent increase amounts to about \$450 a car.

The announcement came one week after Chrysler Motors tentatively raised 1989 car prices 2.3 percent on a comparably equipped basis and 3.9 percent on a base-to-base basis.

GM, however, did not provide an average increase comparing base price to base price. Such comparisons generally are significantly higher than on a comparably equipped basis.

GM President Robert C. Stempel said in a state-

see PRICES, page 58

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rejects effort
tie Audi suit

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Mexico begins output
of Golfs for U.S.

Page 4

UAW postpones
controversial vote

Page 6

Thunderbird, Cougar get full redesign

Aero look carried bit farther for '89

The 1989 Ford Thunderbird and Mercury Cougar are new from the ground up.

Ford's and Mercury's luxury sport coupes carry sleek new aerodynamic lines, giving both cars a considerably wider, longer and lower silhouette. But the stylists' lines play tricks with the eye: Though the wheelbase on both models is boosted nearly three-quarters of a foot, to 113.0 inches, Thunderbird's overall length is shaved 3.2 inches, and Cougar's nearly 2. And the cars' roofline is merely an inch closer to the road.

The hot news for performance buffs is the long-awaited supercharged, intercooled V-6. The 3.8-liter engine is standard on Cougar's XR-7 and a new T-bird model, the Super Coupe.

Under the skin, all 1989 Thunderbirds and Cougars share a new rear-wheel-drive platform incorporating advances in chassis dynamics, the automaker says. The changes include separate front and rear subframes, a new short- and long-arm front suspension and a new independent rear suspension.

The new exterior design allows for greater interior space: Rear hip room, for example, is 7.1 inches wider than the 1988 Thunderbird coupe, and rear shoulder space is up nearly 4 inches.

Both cars are scheduled to bow after Christmas.

THUNDERBIRD: T-bird's sleek new styling is even more aerodynamic than its 1983 design, which laid the groundwork for Ford's well accepted "aero look." Wind-cheating features include a faster windshield angle, a lower nose and lower profile aero headlamps.

Compared with the 1988 coupe, front/rear overhang was sliced more than a foot while length was clipped 3.4 inches. Front and rear tread width have grown 3.3 inches and 1.7 inches, respectively.

T-bird's Super Coupe replaces last year's Turbo Coupe. The car's



Thunderbird (above) and Cougar (below): wider, longer, lower silhouette



THUNDERBIRD/COUGAR FOR 1989					
	Wheelbase (inches)	Length (inches)	Width (inches)	Height (inches)	Curb Weight (Pounds)
Thunderbird	113.0	198.7	72.7	52.7	3,542
Cougar	113.0	196.7	72.7	52.7	3,553

new supercharged, intercooled 3.8-liter V-6 produces 210 horsepower at 4,000 rpm and 315 pounds-foot of torque at 2,600 rpm. Ford says the V-6 design provides smoother performance and that the belt-driven supercharger eliminates turbo lag.

The Super Coupe has four-wheel disc brakes, anti-lock brake system, a suspension directed by computer for automatic ride control, electronic speed-sensitive power steering, and P225/60VR performance tires on 16x7-inch aluminum wheels.

The 1989 Thunderbird also is offered in standard and LX versions. The standard model's equipment list has been lengthened: Reclining bucket seats, new analog instrumentation, full-length console, power windows and larger 15-inch wheels are on each model.

Air conditioning remains standard on all models, and, for the first time, anti-lock brakes are offered across the line. Ford's 3.8-liter V-6 is standard on the LX and standard model.

COUGAR: Cougar continues to be available in two series — LS and XR-7. The models share some new

features such as electronic variable-assist power steering, motorized front-seat shoulder belts, rear-seat heat ducts and rear-seat shoulder/lap belts.

The Cougar LS is equipped with a 3.8-liter V-6 engine and four-speed automatic transmission with overdrive. The engine on both the Cougar and T-bird is upgraded to include roller tappets and the addition of a sequential feature to the multiport electronic fuel injection system. The engine puts out 140 hp at 3,800 rpm; torque is rated at 215 pounds-foot at 2,400 rpm.

The Cougar LS interior includes individual reclining bucket seats and a full console with floor shift, as well as a redesigned electronic instrument cluster with fuel/distance computer.

The Cougar XR-7 features the same powerful 3.8-liter supercharged V-6 that sits in the Thunderbird Super Coupe, teamed to a choice of a five-speed manual or four-speed automatic. Also standard are four-wheel disc brakes with anti-lock system, an automatic suspension system and 16-inch aluminum wheels. Anti-lock braking is optional on the LS.

GM challenges U.S. on 2 pacts it lost

WASHINGTON — General Motors, pursuing a strategy of increased defense and government contracts, is playing hardball with the bid process in challenging awards to two rivals.

So far, the stance has met with some success.

Last week, the U.S. Postal Service told a U.S. Senate subcommittee it is revising its contract with Ross Perot's new company in order to open a larger portion of it to competitive bidding.

And a challenge by GM's Hughes Aircraft Co. unit has temporarily halted the award of a \$3.6 billion Federal Aviation Administration contract to International Business Machines Corp. The multi-billion dollar contract with the FAA is for a new air traffic control system.

Postmaster General Anthony Frank told a Senate subcommittee last week that awarding the contract to Perot Systems Corp. without competitive bidding was a mistake "that I hope is not too late to rectify."

Perot Systems Corp. in June was given a \$500,000 contract to make the Postal Service more efficient. A second phase of the contract would have involved implementing suggestions with profits based on any savings realized by the service.

The contract came under fire from several senators after Electronic Data Systems Corp., the company Perot founded and sold to GM, filed a complaint against the Postal Service with the General Services Administration's Board of Contract Appeals.

The complaint charges that the contract was awarded on a no-bid basis. The board agreed, ruling the contract was awarded illegally and therefore void.

The board said that Perot Systems and the Postal Service knew or should have known the award of the contract without competitive bidding was in violation of the law and Postal Service procurement regulations.

Meanwhile, Hughes has appealed to the same board, charging that IBM was given unfair advantages in bidding for the new air traffic control system.

The GM unit charges that IBM was allowed to undercut Hughes' bid in part because the government let IBM specify used computers, while Hughes had to agree to use new models.

Transportation Secretary James Burnley told a group of reporters last week that he was "perplexed" by the Hughes decision, since he says GM Chairman Roger B. Smith had called him to say the company wouldn't contest the award.

However, Burnley added that he wasn't "surprised" by the move because "it is their right to appeal."

A Hughes spokesman said the firm initially decided against an appeal, but switched positions after learning more details of the IBM award.

In its challenge, Hughes also accused IBM, which supplies computer hardware to Hughes, of inflating its subcontract prices by millions of dollars over the prices it quoted FAA for the same equipment. The contract to IBM was automatically suspended when Hughes' protest was filed.

At a hearing last week, an administrative law judge said the suspension should continue and Hughes' arguments should be heard. The board has 45 days to rule on the case.

The contract for the Advanced Automation System would be the largest award in IBM's history and the largest given by the FAA. Hughes had estimated that the contract could be worth up to \$10 billion over a 20-year period.

In the Perot contract matter, the Postal Service had taken the matter to the U.S. Court of Appeals, arguing that the GSA board has no jurisdiction over the service's procurement. A ruling is expected Thursday.

If the court sides with the Postal Service, Frank said he will still negotiate changes in the contract, although Perot Systems would be allowed to complete the first phase of the contract.

However, the second phase, if approved by the Postal Service, would be put out for bid, and Perot Systems would not be allowed to bid.

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GM cuts design time to 3 years

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

SAN FRANCISCO — General Motors says it has found a new way of developing products in as little as three years instead of the usual five years from first design rendering to Job One.

Gary W. Dickinson, vice president in charge of the technical staffs group, told an SAE meeting here that GM's Four-Phase Process is "a disciplined, systematic approach to determining what a customer really wants, then translating it into a product that meets those requirements quickly and more cost-effectively than in the past."

He said the four-phase product development process is part of a company-wide technology planning and integration program aimed at bringing the marketing divisions together with engineering and research staffs to make sure resources are used effectively.

"The objective is to set up as series of decision checkpoints to ensure that all units' activities are in tune with customer requirements. The first phase of the process involves the least amount of money but sets the parameters for everything to follow," he said.

"We establish what the product's specifications should be and what it should look like. If there is disagreement, or if the mission of the product itself is vague, we can go back to the drawing board without having expended a lot of resources."

"The second phase involves all the detailed design and engineering work and the production of running prototypes. Again, we have the option of canceling or

making modifications without having committed huge amounts of time and money to the project," he said.

"If the project is still a 'go' after this phase, we proceed to tooling up the manufacturing network in the third phase and to volume production in the fourth phase. This kind of rigorous methodology is necessary in the auto industry today because technology and the product itself continue to grow more sophisticated and complex," he told SAE members.

GM's Four-Phase Process was developed with the help of Hughes Aircraft Corp. and has been in play at GM for several years.

The meeting was devoted to technical sessions and panel presentations on future transportation technology. Many in the audience were representing the supply community, and Dickinson said suppliers will play important roles in the trimming of concept-to-production time. That role will include development of new componentry with participation in product planning early in a project.

"Just as important as the new technology and systems are the people who have to use them," he said. He urged his audience to encourage young people to become scientists and engineers.

Dickinson described several programs with that goal in which his company is a participant.

The University of Michigan and Purdue University are participating in an unusual program to enable engineers to pursue degrees without having to leave the GM Technical Center in Warren, Mich.

Powerless dealer rings up sales

On the night of Aug. 1, the power went out at City Chevrolet in Charlotte, N.C., after the main power line was inexplicably burned in half.

The next morning, the dealership staff arrived to find no lights, no power for the hoists in the service bays and — perhaps most important — no telephones, a situation in which conducting business would be next to impossible.

But a solution was found. Ten portable phones were located, along with nine cars with cellular phones. Salesman just stood in line to contact customers, using the phones.

The service department was closed. But customers were notified by the portable phones — and not a temper flared.

One salesman even managed to sell three cars that day, much better than average, causing him to comment, "If the power comes back on, I might just go cut that wire again."

— Wes Raynal

BELTS

Injury claims high despite state laws

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The insurance industry's Highway Loss Data Institute has reported that mandatory seat-belt-use laws adopted by many states do not appear to be lowering the frequency of injury claims reported to insurers.

The Highway Loss Data Institute is part of the Insurance Institute for Highway Safety.

After studying injury claims from eight states with mandatory belt-use laws, the Highway Loss Data Institute said, "Although there is evidence from several studies that state seat-belt laws have reduced the frequency of serious and fatal injuries by about 5 to 10 percent, the present study found no clear-cut evidence of comparable reductions in personal injury protection coverage claims in recent model cars tested."

The study explained, "There are several possible explanations for this apparently ambiguous result: Belts are much less effective in preventing relatively minor injuries than serious and fatal injuries, and most insurance claims are for relatively minor, but expensive, injuries."

Only relatively simple before-and-after comparisons were used, and normal year-to-year fluctuations could easily mask the relatively small reductions expected from the observed increases in belt use following the belt laws, the report said.

The study also reported that "belt use in relatively new cars is known to be higher than in older cars so that the actual increases in usage due to the laws in new cars may be much smaller than in the overall population of vehicles."

Lower injury claims were recorded in Michigan, Connecticut and New Jersey following enactment of mandatory belt-use laws, but injury claims either remained constant or increased in New York, Texas, Florida, Kansas and Maryland, the institute said.

In a related report, the Highway Loss Data Institute said the aver-

COLLISION COVERAGE INSURANCE LOSSES

Relative average loss payment per insured vehicle year

SMALL 2-DOORS	
Toyota Tercel	\$100
Honda Civic	111
Ford Festiva	118
Nissan Sentra	118
Ford Escort	128
SMALL 4-DOORS	
Ford Escort	81
Mercury Tracer	84
Mazda 323	93
Honda Civic	99
Toyota Corolla	112
MID-SIZE 2-DOORS	
Mercury Cougar	96
Pontiac Grand Am	97
Buick Regal	104
Honda Prelude	108
Oldsmobile Calais	108
MID-SIZE 4-DOORS	
Chevrolet Celebrity	53
Ford Taurus	61
Oldsmobile Cutlass Ciera	64
Toyota Camry	70
Dodge Aries	72
LARGE 4-DOORS	
Chevrolet Caprice	44
Mercury Grand Marquis	44
Pontiac Bonneville	48
Oldsmobile 98	53
Buick LeSabre	68
STATION WAGONS/PASSENGER VANS	
Chevrolet Astro Van	31
Plymouth Grand Voyager	37
Dodge Caravan	40
Plymouth Voyager	45
Dodge Grand Caravan	53

SOURCE: Highway Loss Data Institute

age-loss payment per vehicle accident claim increased 4 percent for 1988 over 1987 models and the claim frequency increased 1 percent. The figures represent an increase of approximately \$9 in the average-loss payment per insured vehicle year.

Vehicles heading the list for lowest average-loss payments, using the institute's classifications, were the Toyota Tercel for small two-door models; Ford Escort, small four-door models; Mercury Cougar, mid-sized two-door models; Chevrolet Celebrity, mid-sized four-door models; Ford Taurus, mid-sized wagons; Lincoln Mark VII, mid-sized sport models; Chevrolet Caprice, large models; Chevrolet Astro, large wagons; and Cadillac DeVille, luxury models.

U.S. court knocks out challenge to EPA gray-market regulation

By Helen Kahn
SENIOR CORRESPONDENT

WASHINGTON — A challenge to EPA's gray-market-car regulation by Anderson Shipping Co. and 10 other custom brokers and modifiers has been thrown out by the U.S. Court of Appeals for the District of Columbia.

Anderson Shipping argued that EPA's creation of an independent commercial importer to import and certify gray-market cars was illegal because it conflicts with the Treasury Department's regulations designating customs brokers.

The court held that Treasury created its broker as an importer of record for tariff laws whereas EPA created its independent commercial importer to maintain clean-air standards. Besides, said the court, a customs broker could always also become an independent commercial importer. But in any case, the court maintained that EPA broke no law.

Ben Jackson, counsel for the Automobile Importers Compliance

Association, labeled the suit "frivolous and ill-advised" and told the association's members not to join the suit when it was filed in 1987.

Judge David Sentelle, in a sharply worded unanimous opinion, apparently agreed since he described the suit as a "shotgun" attack aimed "randomly" but whose "pellets" inflicted no mortal wound on the EPA final gray-market regulations published in September 1987.

The court also rejected Anderson Shipping's argument that import vehicles were discriminated against by EPA's gray-market rules and therefore violated the General Agreement on Tariffs and Trade.

The court said the issue was not properly raised before the court since it had not been disputed at EPA's administrative hearings. In addition, the court held that customs brokers had no standing to sue since only countries could raise questions before GATT.

UAW delays controversial vote

Last-minute postponement seen as ploy to pressure delegates

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

The UAW has won a last-minute postponement — time to put added pressure on delegates — in the rerun election for director of Region 5.

A federal judge ordered the rerun after finding the UAW illegally tried to influence a 1986 election. The new election, scheduled for Aug. 11, has been postponed until Sept. 2.

In one example of alleged union pressure, a delegate from Texas said he was offered a UAW job in Detroit so he wouldn't be around to cast one of his plant's votes in the controversial election.

Observers and participants in the two-year struggle for control of the eight-state, 80,000-member region say the delay will really heat up the battle for delegates.

About 160 delegates are involved. Some had already left for the convention site in Tulsa, Okla., when the election was postponed last Tuesday, and all are technically pledged to one side or the other.

But time will tell.

The delegates will cast their votes either for dissident Jerry Tucker or international union-backed incumbent Kenneth Worley. Tucker's platform calls for a more aggressive stance against management and a "new direction" for the union.

Tucker forces, which claimed 360 votes last Monday vs. 316 they counted in the Worley camp, say the delay will give the UAW more time to try to swing delegates to Worley. Each of the 160 delegates casts one or more votes, based on the number of UAW members in their plants.

Tucker forces see the postponement as a sign the UAW believes Tucker has enough pledged delegate support to win the election — and seriously undermine union policy.

The rescheduled Sept. 2 convention also will be held in Tulsa. Most delegates for the government-monitored vote were elected by their locals in June.

At the end of July, a Tucker delegate, Dave Perdue, former president of UAW Local 276 at the Chevrolet-Pontiac-Canada Group's plant in Arlington, Texas, said he was "offered a job on the public relations staff at (UAW's) Solidarity House in Detroit."

"The hitch was, I had to leave ASAP — within two weeks, which means I wouldn't have been able to go to the convention and cast my vote," he said.

Perdue said the offer came through an official of his local. "He was well schooled in what he was doing. He took me into a private room, with no witnesses. But he couldn't tell me how much the job paid or whom I could talk to in Detroit," Perdue said.

"My response was I had a job to do: I was elected to go to the convention and vote for Tucker."

"I doubt I'll hear about that job again," said Perdue, who has a journalism degree and has been editor of the local's paper and vice president of the UAW local press association.

"Funny," he said. "I've been involved with the press for a long time. Now they're suddenly interested in me."

Perdue said he thought that the official who approached him, who lacked prior officer experience, "was being used so as not to implicate them (the international union)."

Frank Joyce, UAW assistant director of public relations, said, "That sounds absurd. We know nothing about this."

The local official could not be reached for comment.

Suzie Cox, a Tucker delegate from the C-P-C Group's assembly plant in Oklahoma City, said the experience of being a delegate has been "flat-out nerve-wracking, beginning with Anaheim."

The 1986 election, which Tucker lost by a fraction of

a vote, was held in Anaheim, Calif. Cox and three other members of her local were Tucker delegates there. She said that UAW international representatives "hailed us into a room and ran down a list of reasons why we should vote for Worley."

Cox said, "When the UAW tries to lean on you, they make real subtle threats about not servicing your local."

She said that in the recent rerun election, the nine delegates from her local ran as a solid pro-Tucker slate and thus were not approached by the UAW.

Cox said that with the extra time before the convention, she and other Tucker delegates might try to swing over two small locals in Oklahoma City that are "solidly for Worley. We had a meeting and decided we might handbill the plant or something."

The UAW said it requested the postponement of the convention in Tulsa to permit two locals to rerun their delegate elections. The locals had been advised by the Labor Department that their delegates had been disqualified because of election improprieties.

Bob McCoy, a Worley delegate from one of those locals — 710 in Kansas City — said he doesn't expect to be approached by Tucker forces "because I've been solidly pledged to Worley."

McCoy, president of Local 710, said he would try to win over Tucker delegates in his local "by sitting down and talking with them about the true facts, based on the record of service received through the incumbent director."

McCoy said that service from the UAW International's representatives is all-important at his amalgamated local, "which has no master agreement to protect us, like the big GM locals do." The local got that kind of servicing under Worley, he said.

But, McCoy said, "People are pretty well entrenched in their positions. I don't really know if the extra time will help."

Twelve of the 14 votes at the locals where the Labor Department found improprieties were held by Worley delegates.

According to a source in the Labor Department, the law allows both sides to try to swing delegates, providing there are no threats of reprisals or violence. That would mean the UAW may legally make promises to delegates of staff positions or other benefits, he said.

But the practice is controversial. Arthur Fox, an attorney with Ralph Nader's Public Citizen Litigation Group, said, "The law says no union funds may be used to promote a candidacy. A very credible argument can be made that offering a job as payment for support in an election is unlawful."

Herman Benson, president of the Association for Union Democracy, said the issue is "a shadow land," in that reprisals may be implicit in promises made to delegates.

"One thing is certain in this gray area," Benson said, "and that's the advantages all incur to the incumbent. He's got the plums to offer."

Though the delegates ran at their locals as pro-Tucker or pro-Worley delegates, they are not bound to either candidate when they cast their votes at the convention.

The hearing in which the UAW requested a postponement of the convention was announced at noon last Tuesday, only 2½ hours before it got under way in U.S. District Judge Lawrence P. Zatkoff's courtroom in Detroit.

Joseph Yablonski, Tucker's attorney, said he objected to the "inadequate notice" he was given about the hearing. Yablonski was vacationing with his family in South Carolina. As a result, he said, "Our side was not represented."

Union may put heat on GM Tech Center

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

This summer's heat may prove particularly uncomfortable at the General Motors Technical Center in Warren, Mich., as a walkout of maintenance workers looms.

About 350 workers in the facilities section of UAW Local 160 are set to strike at 10 a.m. Thursday if they have not reached agreement on a local contract. The workers maintain the heating and ventilation equipment at the Technical Center as well as the grounds.

Pete Kelly, president of Local 160, said that subcontracting issues have not been resolved. He said he had "no trouble" getting authorization from UAW Vice President Donald Ephlin to send the corporation a five-day strike notification letter.

Kelly said a walkout Thursday would present special problems because the ventilation system at the Tech Center has been "under great stress" this sum-

mer and has already caused problems for maintenance crews.

A GM spokesman said, "Negotiations are continuing, and we hope an agreement will be reached."

The facilities section struck for 12 days in 1986 over GM's subcontracting the unit's work, but the practice continues, Kelly said.

Two other units without local contracts joined in the 1986 strike, which eventually involved 650 workers. But that scenario will not be repeated since nine of Local 160's 11 units have already signed new local agreements. Another unit, Chevrolet-Pontiac-Canada engineering, is on the verge of an agreement, Kelly said.

Most local agreements at GM and Ford Motor Co. were reached after the national contracts were signed last fall.

Kelly said that subcontracting remains "an enormous problem" throughout the Tech Center.